

Page 1

1 UNITED STATES BANKRUPTCY COURT

2 SOUTHERN DISTRICT OF NEW YORK

3 Case No. 23-10063 (SHL)

4 - x

5 In the Matter of:

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7 GENESIS GLOBAL HOLDCO, LLC, et al.,

8 Debtors.

9 - x

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11 United States Bankruptcy Court

12 300 Quarropas Street, Room 248

13 White Plains, NY 10601

14

15 November 7, 2023

16 2:07 PM

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21 B E F O R E :

22 HON SEAN H. LANE

23 U.S. BANKRUPTCY JUDGE

24

25 ECRO: UNKNOWN

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1 HEARING re \*\*\*Participants In Person\*\*\* Omnibus Hearing

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3 HEARING re \*\*\*Participants In Person\*\*\* Doc. #890 Notice of  
4 Agenda

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7 HEARING re \*\*\*Participants In Person\*\*\* Doc. #461  
8 (Disclosure Statement) Motion: Motion to Approve (I) the  
9 Adequacy of Information in the Disclosure Statement, (II)  
10 Solicitation and Voting Procedures, (III) Forms of Ballots,  
11 Notices and Notice Procedures in Connection Therewith, and  
12 (IV) Certain Dates with Respect Thereto.

13

14 HEARING re \*\*\*Participants In Person\*\*\* Doc. #785 Third  
15 Motion to Extend Exclusivity Period for Filing a Chapter 11  
16 Plan and Disclosure Statement

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23

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25 Transcribed by: Sonya Ledanski Hyde

1 A P P E A R A N C E S :

2

3 CLEARY GOTTLIEB STEEN HAMILTON, LLP

4 Attorneys for Debtors

5 One Liberty Plaza

6 New York, NY 10006

7

8 BY: SEAN O'NEAL

9 JAN VANLARE

10

11 WHITE & CASE LLP

12 Attorneys for Official Committee

13 1221 Avenue of the Americas

14 New York, NY 10020

15

16 BY: J. CHRISTOPHER SHORE

17 PHILLIP ABELSON

18

19 PROSKAUER ROSE LLP

20 Attorneys for Ad Hoc Group of Genesis Lenders

21 Eleven Times Square

22 New York, NY 10036

23

24 BY: BRIAN ROSEN

25 JORDAN SAZANT

Page 4

1 HUGHES HUBBARD REED LLP

2 Attorneys for Gemini Trust Company, LLC

3 One Battery Park Plaza

4 New York, NY 10004

5

6 BY: ANSON B. FLELINGHUYSEN

7 DUSTIN SMITH

8

9 UNITED STATES DEPARTMENT OF JUSTICE

10 Attorneys for the U.S. Trustee

11 201 Varick Street, Suite 1006

12 New York, NY 10014

13

14 BY: GREGORY ZIPES

15

16 WEIL GOTSHAL MANGES LLP

17 Attorneys for Digital Currency Group, Inc.

18 767 Fifth Avenue

19 New York, NY 10153

20

21 BY: JEFFREY D. SAFERSTEIN

22 JESSICA LIOU

23 FURQAAN SIDDIQUI

24

25

1 PRYOR CASHMAN LLP

2 Attorney for Ad Hoc Group of Dollar-Denominated

3 Creditors

4 7 Times Square

5 New York, NY 10036

6

7 BY: MATTHEW W. SILVERMAN

8

9 OTTERBOURG P.C.

10 Attorney for SOF International, LLC

11 230 Park Avenue

12 New York, NY 10169

13

14 BY: James Drew

15

16 SECURITIES AND EXCHANGE COMMISSION

17 Attorney for SEC

18 950 East Paces Ferry Road, N.E., Suite 900

19 Atlanta, GA 30326

20

21 BY: WILLIAM MATTHEW UPTEGROVE

22 THERESE SCHEUER

23

24

25

Page 6

1 HORWOOD MARCUS BERK CHARTERED  
2 Attorney for Foundry Digital LLC  
3 500 West Madison, Suite 3700  
4 Chicago, IL 60661  
5  
6 BY: AARON L. HAMMER  
7 NATHAN DELMAN  
8  
9 TROUTMAN PEPPER HAMILTON SANDERS, LLP  
10 Attorney for Valour, Inc.  
11 1313 N. Market Street  
12 P.O. Box 1709  
13 Wilmington, DE 19899-1709  
14  
15 BY: EVELYN J. MELTZER  
16  
17 BROWN RUDNICK LLP  
18 Attorney for Fair Deal Group  
19 Seven Times Square  
20 New York, NY 10036  
21  
22 BY: KENNETH AULET  
23  
24  
25

Page 7

1 MCELROY DEUTSCH MULVANEY CARPENTER LLP

2 Attorney for New Jersey Bureau of Securities

3 570 Broad Street

4 Newark, NJ 07102

5

6 BY: JEFFREY BERNSTEIN

7

8 LATHAM WATKINS

9 Attorney for Joint Liquidators of Three Arrows Capital

10 1271 Avenue of the Americas

11 New York, NY 10020

12

13 BY: ADAM J. GOLDBERG

14

15 LOWENSTEIN SANDLER LLP

16 Attorneys for Securities Class Action Lead Plaintiffs

17 65 Livingston Avenue

18 Roseland, NJ 07068

19

20 BY: MICHAEL PAPANDREA

21

22

23

24

25

## P R O C E E D I N G S

2 CLERK: All rise.

3 THE COURT: Please be seated. Good afternoon. We  
4 are here for the case of Genesis Global Holdco, LLC for a  
5 variety of matters. And I am working off the three-binder  
6 sets that were sent up here today as opposed to the two-  
7 binder set that was sent at the end of last week.

I will say I don't know that I've ever had a case  
in my more than 13 years on the bench where I've had as many  
objections to disclosure statements. I think this breaks a  
record. Probably not a good record to break. So we have a  
lot to get through. But before we delve into the nitty-  
gritty, I did see there was a plan that was just filed. I  
saw there was a committee response that was filed yesterday.  
I saw there was a plan and amended disclosure statement --  
oh, I am muted actually. So I am sorry for all of you in-  
person, you're going to have to hear that again.

18 Good afternoon. This is Judge Sean Lane in the  
19 United States Bankruptcy Court for the Southern District of  
20 New York and we are here this afternoon for Genesis Global  
21 Holdco, LLC, on for a variety of matters, particularly the  
22 disclosure statements.

23 So let's start by getting appearances. So we'll  
24 start with the Debtors.

25 MR. O'NEAL: Your Honor, Sean O'Neal and Jane

1       VanLare from Cleary Gottlieb on behalf of the Debtors.

2                  THE COURT: All right. Good afternoon. On behalf  
3                   of the Official Committee?

4                  MR. SHORE: Chris Shore and Phil Abelson from  
5                   White & Case.

6                  THE COURT: Good afternoon. On behalf of the Ad  
7                   Hoc Group?

8                  MR. ROSEN: Good afternoon, Your Honor. Brian  
9                   Rosen and Jordan Sazant on behalf of the Ad Hoc Committee.

10                 THE COURT: All right. And on behalf of Gemini?

11                 MR. FRELINGHUYSEN: Good afternoon, Your Honor.  
12                 Anson Frelinghuysen and Dustin Smith on behalf of Gemini  
13                 Trust Company.

14                 THE COURT: Good afternoon. On behalf of the  
15                 United States Trustee's Office?

16                 MR. ZIPES: I'm a step ahead, Your Honor. Greg  
17                 Zipes with the U.S. Trustee's Office.

18                 THE COURT: All right. Good afternoon. And  
19                 anyone else who is here in-person who needs to make an  
20                 appearance, just step up to the microphone. Just be mindful  
21                 that is actually not the Zoom microphone. But I think we  
22                 are pretty good -- if there's anyone online who is having  
23                 trouble hearing us, please shout out and let us know. But  
24                 let me get the appearance.

25                 MR. SAFERSTEIN: Good afternoon, Your Honor.

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1 Jeffrey Saferstein from Weil Gotshal & Manges on behalf of  
2 Digital Currency Group. I am here with Jessica Liou and  
3 Furqaan Siddiqui.

4 THE COURT: All right. Good afternoon. Anyone  
5 else for an appearance in-person?

6 MR. SILVERMAN: Good afternoon, Your Honor.

7 Matthew Silverman, Pryor Cashman. I represent an ad hoc  
8 group of dollar-denominated creditors. Thank you.

9 THE COURT: All right. Good afternoon. Anyone  
10 else in-person? All right. Let me ask if there is anybody  
11 online on the Zoom who would like to make an appearance who  
12 expects to speak at today's hearing.

13 All right, I see Mr. Drew. Let me get Mr. Drew to  
14 chime in first.

15 MR. DREW: Your Honor, James Drew, Otterbourg PC,  
16 on behalf of SOF International LLC.

17 THE COURT: All right. Good afternoon. Anyone  
18 else?

19 MR. UPTEGROVE: Good afternoon, Your Honor.  
20 William Upwegrove on behalf of the United States Securities  
21 and Exchange Commission. And with me today is my colleague,  
22 Therese Scheuer.

23 THE COURT: All right. Good afternoon. Anyone  
24 else?

25 MR. HAMMER: Good afternoon, Your Honor. Aaron

1 Hammer for Foundry. I am with my colleague, Nathan Delman,  
2 on the phone as well. Thank you.

3 THE COURT: All right. Thank you. Good  
4 afternoon. Anyone else?

5 MS. MELTZER: Good afternoon, Your Honor. Evelyn  
6 Meltzer of Troutman Pepper on behalf of Valour, Inc.

7 THE COURT: All right. Anyone else?

8 MR. AULET: Good afternoon, Your Honor. Kenneth  
9 Aulet, Brown Rudnick, for the Fair Deal Group.

10 THE COURT: All right. Good afternoon. Anyone  
11 else?

12 MR. BERNSTEIN: Good afternoon, Your Honor. Just  
13 in case, Jeffrey Bernstein, McElroy Deutsch Mulvaney &  
14 Carpenter for the New Jersey Bureau of Securities. Thank  
15 you.

16 THE COURT: All right. Thank you. Good  
17 afternoon. I see Mr. Goldberg, so let me get that  
18 appearance.

19 MR. GOLDBERG: Thank you, Your Honor. Good  
20 afternoon. Adam Goldberg of Latham & Watkins on behalf of  
21 the Joint Liquidators of Three Arrows Capital.

22 THE COURT: All right. Good afternoon. Anyone  
23 else?

24 MR. PAPANDREA: Good afternoon, Your Honor. This  
25 is Mike Papandrea from Lowenstein Sandler on behalf of the

1       Securities Litigation Lead Plaintiffs.

2                     THE COURT: Good afternoon. Anyone else? All  
3       right. I recognize there are plenty of other folks on the  
4       line. And to the extent that the circumstances change and  
5       someone has not entered an appearance and needs to speak,  
6       you can identify yourself at that time and we'll do the best  
7       we can in terms of dealing with both folks who are here in-  
8       person and folks who are online. Let me just ask anybody in  
9       particular, can the folks who are online on the Zoom call  
10      hear all of us in the courtroom? Anyone?

11                  All right. I'll take that as a yes. All right.  
12      Thank you very much. I realize the awkwardness of that.

13                  All right. So turning back to the agenda. I  
14      think I was saying before I realized my microphone was off,  
15      I don't know that I've ever seen this many objections to a  
16      disclosure statement in my more than 13 years on the bench.  
17      That's probably a dubious record. I see there's been a lot  
18      of developments in recent time. When the Plaintiffs filed  
19      their reply, it came along with substantial additional  
20      disclosures. That was Friday. Yesterday I saw the  
21      Committee's statements that were filed. And then I know  
22      when I was coming out here, I saw a plan that was filed at  
23      1:09. So there's a lot of things in motion.

24                  It is a liquidating plan and so there were some  
25      things that -- there's a whole -- I have a chart of all the

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1 things that were contained in the Debtor's reply. I have my  
2 own list. And so the question is how to do this  
3 efficiently. Whenever things are changing this rapidly, we  
4 want to try to figure out how to best handle this. So that  
5 has sort of two points to that. One is I did see the  
6 committee filed something saying there's still meaningful  
7 discussions. And obviously a disclosure statement follows a  
8 plan, and the plan is the substance. And if there's still  
9 meaningful discussions, we don't want the cart to get in  
10 front of the horse. So that's the first question as to  
11 what's a sensible way to proceed here today. And the second  
12 is there are a lot of objections that are no longer state-  
13 of-the-art. They've been superseded by subsequent language  
14 and conversations among the party and additions. And so we  
15 need to find a way to prevent the parade to the podium of we  
16 had this issue and that issue and the other issue, this has  
17 been addressed, that hasn't been addressed. There's a more  
18 efficient way to do that. And so at some point it may make  
19 sense to take a break to give various folks a chance to talk  
20 to the Debtors and try to narrow the scope of things that we  
21 would need to address today.

22 But first things first is the idea of meaningful  
23 discussions. We had a chambers conference the last time we  
24 were here. And again, chambers conferences, for people who  
25 are not familiar with bankruptcy, as I am the decider for

1 lack of a better term, I don't get into settlement  
2 discussions. What I ask is procedurally where are we. Do  
3 the parties want more time to talk about things? Are they  
4 trying to come up with a better solution than a court  
5 decision might give them? This is often true in cases. And  
6 so that's what the focus of that was, was just to get a  
7 sense procedurally where things stand in the case. Again, I  
8 stay out of any actual contents of any settlement so that I  
9 can make any decisions that need to be made.

10                 And so certainly in reading the Committee's  
11 statement, which is at Docket 895, about there's still  
12 meaningful discussions, I am trying to figure out what is  
13 the sort of order of operations for purposes of today. And  
14 with that, I will turn to Debtor's counsel to get some  
15 guidance as to what you think would be meaningful and  
16 helpful to do today and in what order. Counsel?

17                 MR. O'NEAL: Certainly. Thank you, Your Honor.  
18 We have been engaged in substantially meaningful  
19 discussions, some more meaningful than others. But they  
20 have been substantial and meaningful.

21                 We do believe that it would be appropriate, and I  
22 understand that the key stakeholders also believe that it  
23 would be appropriate to have a chambers conference to  
24 commence before we commence the substance of the hearing.  
25 After that chambers conference, we would move to the two

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1       matters that are before the Court today. One is disclosure  
2       statement approval and the second would be an exclusivity  
3       extension. In the meantime, I can tell you that we have  
4       resolved many of the objections with respect to the  
5       disclosure statement. Some of those objections remain.  
6       Many of those objections we would view as confirmation  
7       objections and not really disclosure objections. But as  
8       you'll see, Your Honor, we have made substantial changes to  
9       the disclosure statement. We've tried to meet the  
10      disclosure statement objections where we thought it was  
11      appropriate. But we do believe that it's the best next step  
12      as far as to have a chambers conference among the key  
13      stakeholders.

14                   THE COURT: All right. So let me hear from the  
15      Official Committee since it has a special fiduciary role  
16      recognized by statute on that. And then I'll canvass the  
17      room.

18                   MR. SHORE: Chris Shore from White & Case on  
19      behalf of the Official Committee. We agree with Debtor's  
20      counsel that a chambers conference might help, particularly  
21      in light of the discussions that are going on. We never  
22      want to force people to put things on the record that are  
23      not ready to be on the record. So we agree with that.

24                   With respect to the disclosure statement, we did  
25      not file an objection. We filed a statement. We've been

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1 working with the Debtors to bake the various additional  
2 items into the disclosure statement. There's going to be a  
3 period between this hearing, and if there is an approval, an  
4 actual solicitation. And we have every belief that the  
5 Debtors are going to address the concerns that we have.  
6 We've got commitments to do so.

7 So our view as articulated at the last hearing  
8 continues today. In the absence of a deal, we need to get  
9 this case moving. Hard dates work to keep people focused.  
10 And the next step is an approval of the disclosure  
11 statement. And if we have to pull the reins on that, we  
12 can. But we can't wait around at the door of the barn  
13 forever.

14 THE COURT: Fair enough. All right. And I know  
15 there are lots of other folks here from lots of other key  
16 constituencies. And so I want to make sure that nobody has  
17 a problem with following the lead that's been suggested in  
18 terms of having a chambers conference. If anybody has a  
19 different view, I would obviously be happy to hear it. But  
20 rather than poll everybody, I think I'll just throw that out  
21 to the collective group who is assembled here if anybody has  
22 a dissenting view. All right.

23 MR. ZIPES: Your Honor, Greg Zipes with the U.S.  
24 Trustee's Office. My office doesn't oppose this meeting,  
25 but as with the last one, we ask that it be short and that

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1 there is some summary of what took place on the record.

2 THE COURT: Yes. I think that's entirely correct.

3 We will check in. I think that's what we did last time.

4 Even if we keep it short, we'll still also check in to the  
5 extent it goes a little longer than anticipated and provide  
6 a short summary of things. But again, I want to make it  
7 clear, I am not a mediator in this case. I am the presiding  
8 judge. So I don't mediate. And various people have been  
9 involved in mediation in this case, and again, it's not in  
10 front of me because I'm the one who has to decide issues if  
11 it comes to that. So my interest is procedural.

12 And particularly because as I am the party  
13 probably with the least information about exactly where  
14 things stand, moving forward, as Mr. Shore mentioned, with  
15 certain things prematurely can do damage to a case and cause  
16 things to be inefficient and expensive. And so that's one  
17 of the things that judges try not to do in cases. And so  
18 that's my primary goal, is to be procedurally singing from  
19 the same sheet of music as the parties-in-interest.

20 So with that, it is 20 after one. So what I would  
21 propose is that we say we're going to chat. I have the  
22 right time, I'm using the clock. But it's a government-  
23 issued clock, so it's right twice a day. Do I have the  
24 right time?

25 UNIDENTIFIED SPEAKER: I think you're just an hour

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1 off, Your Honor.

2 THE COURT: Oh, I'm sorry. Yes. Okay. 2:20. So  
3 why don't we say 20 minutes and then we'll check in with the  
4 folks online just so that they know where we are. And with  
5 that, the Court will adjourn for about 20 minutes and we'll  
6 convene chambers conference. Thank you very much for  
7 everyone's patience and cooperation. It is much  
8 appreciated.

9 (Recess)

10 THE COURT: Good afternoon once again. This is  
11 Judge Sean Lane in the United States Bankruptcy Court. And  
12 I just wanted to let you know that I've just finished  
13 chatting with folks here in court offline. They are going  
14 to chat for about five more minutes. So I expect we'll be  
15 back on the line to proceed with the hearing in about  
16 another five to seven minutes. Thank you again for your  
17 patience and good humor in this, and look forward to  
18 chatting with you all in ten minutes or less. Thank you.

19 (Recess)

20 CLERK: All rise.

21 THE COURT: Please be seated. Good afternoon once  
22 again. We are resuming the hearing in Genesis Global Holdco  
23 LLC. For those folks on the line, we had a discussion about  
24 procedurally where we find ourselves and what is  
25 procedurally the best path forward in terms of handling what

1 we have. And I will summarize the discussion and I'm happy  
2 to have anybody else chime in.

3 The consensus is that there is a consensus around  
4 the new deal plan absent some better option that emerges.  
5 I'm sorry, no deal, not new deal. The no deal plan absent  
6 something else that would emerge, but that the best way to  
7 move forward is in fact to move forward, including with  
8 today's hearing, and that parties who may significantly  
9 differ with one another about the outcome and the substance  
10 and the recoveries and all those things I think agree on the  
11 process in terms of moving forward. So that really is what  
12 the conversation is centered around. And so the thought is  
13 to move forward with today's hearing and make progress.

14 And with that I would note there was also a  
15 disclosure statement file as amended filed at Docket 900 --  
16 nice round number -- at 2:15 this afternoon. Which just  
17 goes to show there's a lot of progress and effort to move  
18 forward. And I understand or I'm guessing -- and people can  
19 talk about it -- that really that new disclosure statement  
20 is a reflection of the many conversations that the  
21 interested parties are having about how to move forward in  
22 the case and address comments.

23 So with that, I will turn it back over to the  
24 Debtors to start us off. And what I really could use --  
25 obviously I have the chart that was in the Debtor's reply at

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1 Docket 884. I have my own list of issues that I culled from  
2 various objections. But obviously there has been a  
3 significant amount of change up through and including this  
4 afternoon at 2:15. So the question is how to do this  
5 efficiently. And I will say in that connection there may be  
6 some things that are a bridge too far today, but there are  
7 other things that maybe are ideally suited to be resolved  
8 today. And if you need any breaks at any point for any  
9 constituents to talk to one another, to try to clarify some  
10 issues and put some issues to bed, I am happy to do that as  
11 well.

12 So with that, Ms. VanLare, please proceed.

13 MS. VANLARE: Thank you very much, Your Honor.

14 Jane VanLare, Cleary Gottlieb Steen & Hamilton, on behalf of  
15 the Debtors.

16 Your Honor, yes, there a number of objections  
17 filed to the disclosure statement. We have been working  
18 around the clock to resolve them. And I think we've made a  
19 lot of progress. We resolved a number of them.

20 And so in response to your comment just now, Your  
21 Honor, what I would propose is I will go through the  
22 objections. I will highlight the ones that are resolved.  
23 There are a number of others where we've exchanged language  
24 and we're at a point where we believe we are resolved. But  
25 obviously parties sometimes need more time to look at the

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1 specific language. So I will note that on the record. And  
2 then there are a few objections that are unresolved. Even  
3 for those, substantially -- well, many of the issues in the  
4 unresolved objections have been resolved. So we're really  
5 down to a handful of outstanding issues. So I will leave  
6 those to the end and we can address those. But I think that  
7 way we'll kind of streamline the process.

8 And we did file, as Your Honor noted, we filed an  
9 amended plan and disclosure statement. That was intended to  
10 reflect the language that we have been discussing and  
11 negotiating with various parties. We hope that they take a  
12 look and see that we've reflected it as we've discussed with  
13 them over the phone and over email. And obviously anybody  
14 can correct us at the hearing, but I will go through again  
15 and just tell Your Honor where we are.

16 THE COURT: And is your thought that we make as  
17 much progress on as many issues today and that we might need  
18 another hearing in the near future to sort of get us to  
19 closure just so that people have a chance perhaps to process  
20 certain amount of information or changing language or, as  
21 you say, some of the last issues that you're not quite there  
22 yet?

23 MS. VANLARE: Your Honor, I would propose that we  
24 see where we are at the end. I think that we really have  
25 resolved the great majority of the issues. I think the

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1 remaining issues really are largely confirmation issues.  
2 And I'm not sure that people disagree on that, actually.  
3 But I think certainly if Your Honor feels that at the end of  
4 this hearing people need additional time, certainly open to  
5 that. But I do think that we've made a lot of progress.

6 THE COURT: Oh yes. I'm certainly not suggesting  
7 otherwise. And I think the point of my comment was I guess  
8 at the end which is to say in the near-term, meaning that  
9 nobody wants to have this language languish. And so if  
10 we're going to get a lot of things done today and need  
11 another hearing date, I will promise to get that to you  
12 promptly so we can keep the train moving on the no deal  
13 plan, which is what has the support of folks. So that I  
14 guess is the main point. So with that, why don't you take  
15 it away.

16 MS. VANLARE: Appreciate that, Your Honor. I will  
17 also note before I go into the specific objections, because  
18 there were a number of folks who noted this, the  
19 distribution principles, which are an exhibit to the  
20 disclosure statement, have not yet been filed. They are --  
21 we have been discussing them and we've been exchanging  
22 drafts for a long time. We're in substantial agreement on  
23 them. They're not quite final, but I think that we intend  
24 to file them today. And I think that the issues that remain  
25 we really view as more technical issues and things that can

1       be resolved at confirmation.

2                   So I say that just to make everybody aware of  
3       that. Because, like I said, that was something that came up  
4       in a number of objections.

5                   THE COURT: All right.

6                   MS. VANLARE: So with that -- and we did file an  
7       amended agenda also to assist. But granted that came late  
8       because we were resolving objections until the beginning of  
9       this hearing.

10                  So at Docket 475, there was an objection filed by  
11      Mr. Morton. We believe that objection is resolved.

12                  THE COURT: And I'm assuming since it starts off -  
13      - you're working off the Exhibit A, which is a summary of  
14      responses to objections, and we'll just go right down the  
15      list.

16                  MS. VANLARE: Yes. Thank you, Your Honor. Yes.  
17      We filed on Exhibit A to our reply. That kind of went  
18      through all the objections. And so I'm just going to follow  
19      that same order so that Your Honor can follow it. And I'll  
20      add the status for many of these --

21                  THE COURT: That's great. And just for those  
22      following along at home, we're looking at Docket 884, which  
23      was filed on the 3rd of this month. And the Exhibit A  
24      starts at Page 36 of 45 in terms of the larger document. So  
25      please, take it away.

1 MS. VANLARE: Thank you, Your Honor. So 475, Mr.  
2 Morton's objection. We believe that's been resolved.  
3 That's Docket 475.

4 Docket 496, the lead securities plaintiffs, that  
5 was a reservation of rights rather than an objection. So  
6 it's noted. No response was necessary.

7 Docket 510, that was an objection filed by the  
8 Securities and Exchange Commission. That one we've been in  
9 discussions with the SEC for some time and have been working  
10 hard to address the comments and the objections in the SEC  
11 objection. We did send them language, although recognize  
12 that was I think this morning. So we have not gotten  
13 confirmation.

14 So I think where we are, at least from the  
15 Debtor's perspective, is that we believe we've resolved all  
16 of these issues and addressed them in our additional  
17 language that we've included in the amended disclosure  
18 statement. We have not -- we don't have confirmation from  
19 the SEC. And I will note, and we have added this to the  
20 disclosure statement, but I do want to say it on the record  
21 as well, that the SEC does object to the scope and some  
22 other aspects of the exculpation provisions. And I'll just  
23 note again for the record that the SEC and certain other  
24 governmental actors and others may have objections to the  
25 scope of the release provision and any exculpation

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1 provision. And we recognize that and say, stating on the  
2 record, that everyone's rights are reserved. And we view  
3 those really as issues for confirmation. And so with  
4 respect to the SEC objection and with respect to others as  
5 well.

6 THE COURT: And I'm assuming that for those  
7 objections that sounds like they crop up in a few different  
8 places, the exculpation and release provision, are you going  
9 to -- is the intent to note in the disclosure statement that  
10 there are objections or various parties have let Debtors  
11 know that they do object to these and that those will be the  
12 subject of any confirmation hearing?

13 MS. VANLARE: Yes, Your Honor. I believe we've  
14 added that language already.

15 THE COURT: Okay, great.

16 MS. VANLARE: If not, we can certainly check.

17 Next we have New Jersey Bureau of Securities.  
18 That's Docket 553. That objection is resolved. Docket  
19 number --

20 THE COURT: And so let me just make sure. The way  
21 you broke it down is you hopefully broke down the different  
22 objections that an individual party might make. And so  
23 there were a number of line items for the SEC. So I'm  
24 taking your comment to mean that your discussions are to  
25 address all those things and the hope is that the language

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1 will get to yes on those issues -- all issues other than the  
2 ones that are confirmation issues.

3 MS. VANLARE: Correct, Your Honor.

4 THE COURT: Okay, great. Thank you. I just want  
5 to be as clear as possible because I now we have a lot of  
6 people listening in and I don't expect that bankruptcy is  
7 their area of expertise or their first love. And so it can  
8 be a little challenging sometimes to follow along. So thank  
9 you for your help on that.

10 MS. VANLARE: Thank you, Your Honor.

11 THE COURT: And you were talking about the New  
12 Jersey Bureau of Securities and Docket 553.

13 MS. VANLARE: Yes. That objection is resolved.  
14 The objection filed by the Helium party, that's Docket 582.  
15 That objection is resolved as well.

16 The objection filed by the New York State Office  
17 of the Attorney General at Docket 591, that objection is  
18 resolved.

19 Objection filed by Valour, that's at Docket 858.  
20 That objection is resolved for purposes of the disclosure  
21 statement hearing. Valour does want to note that they  
22 reserve their rights for plan confirmation. Of course we  
23 respect that.

24 Next we have the objection of the Ad Hoc Group  
25 that was filed at Docket 859. That objection, Your Honor,

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1       is not fully resolved. It's substantially resolved. And  
2       I'll address it and I'm sure the Ad Hoc Group will probably  
3       want to respond as well.

4                  But there were three points in their objection.

5       We believe that the only one that's outstanding based on our  
6       communications with them is that they would like to see  
7       additional disclosure about the identity of released  
8       parties.

9                  Now, in response to their objection, we did modify  
10      the disclosure statement. What we have said is that we will  
11      file a notice as part of the plan supplement indicating the  
12      current -- the officers and directors and employees that are  
13      being released who were current as of the petition date. So  
14      we will file that notice as part of the plan supplement and  
15      will include a general basis for those releases. The  
16      decision whether or not to grant those releases is being  
17      made by the Special Committee under the terms of the plan.

18                  So as a disclosure issue we believe we've resolved  
19      the objection. I know they may disagree and you may hear  
20      from them later, but again, we responded to that objection  
21      that way. And again, our view is that we've resolved it for  
22      purposes of today. And as with others, we understand that  
23      they may object as a confirmation matter with respect to the  
24      scope.

25                  THE COURT: All right. So just since now seems as

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1 good a time as any, the timing of the plan supplement was  
2 the subject of some discussions, so we might as well just  
3 jump into that while we're talking about it.

4 MS. VANLARE: Yes. We did modify the timing in  
5 response to -- I can't recall -- one or more objections  
6 raise that. And so we did change it. I think it was five  
7 days before the voting deadline. It's now seven days before  
8 the voting deadline. I'm not aware of anyone who has an  
9 issue with the new timing.

10 THE COURT: All right. And I will just say that  
11 under applicable law, there is a question -- it's not a  
12 question for disclosure, it's a question for confirmation,  
13 but just to get it out there, about releases in the context  
14 of a liquidating plan. Right? Where nobody is contributing  
15 anything of value, who would get released and why. And so  
16 that's something that I haven't looked at the most up-to-  
17 date version on what it says about releases, but certainly  
18 it's not a disclosure statement issue. But to the extent  
19 that Debtors may want to include what the inquiry will be at  
20 confirmation so that parties understand who are not familiar  
21 with that. But I think that's all I have on that. All  
22 right. Thank you.

23 MS. VANLARE: Next we have the Securities  
24 Litigation Lead Plaintiffs. They filed an objection at  
25 Docket 860. I believe that objection is resolved for

1       purposes of today. But I think we are in discussions  
2       regarding the language.

3                 THE COURT: All right. So resolved in principle.

4                 MS. VANLARE: I'm sorry, Your Honor. That one  
5       actually I need to come back to. I am not aware of an  
6       objection that's outstanding, but I can't represent right  
7       now on the record that it's resolved.

8                 THE COURT: You can check in on that in a break  
9       and we'll -- there's quite a few of these.

10                MS. VANLARE: Next we have an objection filed by  
11       Foundry at ECF 863. That objection is resolved.

12                Next we have an objection filed by Gemini at  
13       Docket 864. This one, there are some issues. And I think  
14       we should maybe skip it now and we'll come back to it at the  
15       end. We've made substantial progress, but there are a few  
16       issues on that one.

17                Next we have Docket 865, Three Arrows Capital.  
18       That objection is resolved. I would like to represent on  
19       the record as per our discussion with counsel to Three  
20       Arrows Capital that their objection raised issues with  
21       respect to the reserve. And we do understand that their  
22       rights with respect to that issue is reserved for purposes  
23       of confirmation.

24                Next we have the Unsecured Creditors Committee  
25       filed their reservation of rights, which we note we have

1       been in discussions with the Unsecured Creditors Committee,  
2       as I think you've heard already, Your Honor. So we've been  
3       working with them and sharing language. So I believe that  
4       we have made a lot of progress in addressing a lot of their  
5       concerns.

6                      Docket 867 is an objection filed by Digital  
7       Currency Group. This is another one that I would like to  
8       skip until the end. We have included a lot of additional  
9       disclosures that they've asked us to include, and that's  
10      reflected in the amended disclosure statement. But there is  
11      language that we have not included. And so I believe that  
12      that's still outstanding.

13                  Next we have an objection filed by SOF  
14       International at Docket 874. I believe that most of the  
15       issues raised in that objection have been resolved. There  
16       is one outstanding item where they've asked us to include  
17       recovery percentages on the Gemini claims and we are looking  
18       to see if we can add those additional recoveries. I believe  
19       we can. With that I think it's resolved. But basically the  
20       issue there is that the disclosure statement as would be  
21       typical includes the recovery percentage on the secured  
22       portion of the claim, which is a hundred percent, and the  
23       unsecured portion of the claim, the deficiency claim, there  
24       is a dispute, as Your Honor has heard, with respect to the  
25       amount of the deficiency claim and the recovery percentages

1       that we reflect in the disclosure statement and in the  
2       disclosure statement exhibit do show there's quite a bit of  
3       information and there's a range of recoveries. So there's  
4       no issue with respect to that. It's just that SOF would  
5       like us to include something that puts the secured and the  
6       unsecured portion together. So we may be able to do that,  
7       and we're working with our financial advisors to try to make  
8       that happen.

9                   THE COURT: And is there overlap between that and  
10       some of the Gemini objections being worked on?

11                  MS. VANLARE: Not that I am aware of.

12                  THE COURT: All right.

13                  MS. VANLARE: Next we have the Office of the  
14       United States Trustee filed at Docket 875. We have been in  
15       discussions with the Office of the United States Trustee.  
16       We have added a lot of language to the disclosure statement  
17       in response to the comments, both informal and the ones that  
18       were part of the objection. I don't believe the objection  
19       is resolved, but I think that's another one that probably  
20       Mr. Zipes will want to address on the record. I will just  
21       say on our part, I believe that we have addressed all of the  
22       points other than ones that we believe are really issues for  
23       confirmation.

24                  With that, Your Honor, I think that gives you the  
25       lay of the land. And if I could just summarize. And again,

1 parties may have additional comments. But I believe that  
2 really we are down to a handful of issues. I think that  
3 includes the Digital Currency Group objection which we  
4 should address. The Ad Hoc Group, it's really just that  
5 limited point around disclosure of the releases being part  
6 of the plan supplement and the Gemini objection, which we  
7 have been working and I think we've resolved all the issues  
8 that we could. And I really think the ones remaining are  
9 issues for confirmation. We have been working with them.  
10 There are some drafting points on the plan that remain. And  
11 again, I think they are ones we anticipate resolving in the  
12 next few days and/or they can be left for confirmation.

13 There is one issue that I think relates to the  
14 disclosure statement and really to solicitation involving  
15 Gemini. And that is that Gemini has asked to include as  
16 part of the solicitation package a cover note for the Gemini  
17 lenders. We are not in theory opposed to them doing it, but  
18 we are not in agreement with the version of that cover note  
19 that they have proposed because we believe that it  
20 mischaracterizes the plan. And so it's somewhat tied with  
21 some of the plan issues. But to the extent Your Honor were  
22 to say they don't really need to send a note, I think we're  
23 done and we could just solicit the -- we have our  
24 solicitation package to the extent you are inclined to allow  
25 them to include something. I'll just note that, again, we

1 want to make sure it's accurate.

2 THE COURT: Yeah. So as to the note, I guess  
3 there's two separate issues. One is a note by a specific  
4 party sent separately. I get a right to tell you straight  
5 from the horse's mouth what my view is. That can lead to a  
6 proliferation of notes, just (indiscernible), and that can  
7 be a bit unwieldy. It can also be a bit confusing. And so  
8 I am not necessarily a fan of individual notes. I am a fan  
9 of getting the information out. And one of the benefits of  
10 having an official committee which has a fiduciary  
11 obligation is to ask the committee to sort of referee a  
12 little bit and say here's a supplement on behalf of the  
13 official committee and say here's various constituencies  
14 within that who have various views about things and to help  
15 mediate through that. So that tends to be my approach.  
16 Because obviously we want people to get the information.  
17 And I think that's what the concern is about. But it can  
18 easily break out into a bit of anarchy. Nobody's fault.  
19 I'm not trying to blame anybody. It's just sort of the  
20 natural problem that arises when you have this many folks  
21 involved.

22 So I can't say I've never had an individual  
23 letter, but usually if it becomes a flashpoint, I've tried  
24 to address it some other way to get the information. So you  
25 would still work on the information, but the vehicle might

1 be slightly different. But it would still be -- again, the  
2 committee has -- and I certainly have been struck by this in  
3 other parts of this case -- is people need to recognize -- I  
4 know there is a certain level of mistrust and concern that  
5 happens in any case, and certainly exists here. And people  
6 who don't have experience with bankruptcy won't really  
7 necessarily understand the role of the official committee,  
8 that a reason it's in the statute is to be a statutorily-  
9 recognized fiduciary for unsecured creditors. And so they  
10 are required to look out for folks who are all the unsecured  
11 creditors. And judges will often therefore use the  
12 committee in circumstances where their exercising their  
13 fiduciary duties gives them a certain standing and a certain  
14 ability to sort of moderate these kinds of things and to  
15 call balls and strikes in a certain kind of capacity. So I  
16 just add that, throw that out there just to the extent that  
17 there are a lot of people on the line who don't really know  
18 bankruptcy and don't really necessarily want to know  
19 bankruptcy. But I've made comments about the official  
20 committee before, and they may not really understand why.  
21 There's a lot of committees in bankruptcy, and it can be a  
22 bit mind-numbing for folks who aren't used to it. But the  
23 official committee has a special status for that reason. So  
24 that's why I'm invoking them here and have talked about them  
25 in previous circumstances. That's one way to overcome trust

1 issues and concerns about getting a fair shake.

2 So that would be my view. I think you would work  
3 on the substance, but the delivery vehicle would be a little  
4 different if that becomes a sticking point.

5 MS. VANLARE: I think, Your Honor, right now our  
6 cover letter we've shared with the committee. I don't -- we  
7 accepted their comments. If they wanted to add a letter, we  
8 would have no issue with that. I'm not sure they need to,  
9 but --

10 THE COURT: Or add things to your letter. I will  
11 leave it to you all. To the extent I can be of help, you'll  
12 let me know. I don't think -- there's a lot of smart  
13 professionals here. I don't think you need me to  
14 micromanage that. That's why I'm just sort of throwing out  
15 some of the ways I think about it. But as long as people  
16 get the information. But I do think one letter can beget  
17 many letters, and many letters just sows confusion. So  
18 we're trying to avoid -- people already get a very lengthy  
19 stack of things to consider.

20 MS. VANLARE: I agree, Your Honor. And for what  
21 it's worth, I did get another request for another letter  
22 right ahead of this hearing.

23 THE COURT: Well, and that's the way it goes. And  
24 I totally understand. And you can't blame somebody saying,  
25 well, if one party is submitting a letter, why don't I get

1 to submit a letter.

2 MS. VANLARE: Exactly.

3 THE COURT: And we really don't want to be picking  
4 and choosing among people. All the professionals here are  
5 doing a good job for their constituents. I am very happy to  
6 have them. And so I'm not trying to pick winners and  
7 losers. So we're just trying to pick a vehicle that's fair  
8 and allows us all to move forward. All right.

9 MS. VANLARE: That's understood and very helpful,  
10 Your Honor. So I think with that with Gemini I think we are  
11 down to really technical modifications on the plan, which to  
12 the extent they're not technical are really confirmation  
13 issues.

14 THE COURT: All right. So one thing I thought we  
15 could do for purposes of trying to get through certain  
16 issues today, you identified a number of parties where the  
17 issues are completely resoled. And I thought it would  
18 behoove us all to have that clear on the record today. So  
19 what I thought we would do is if you could identify those  
20 folks in a list and then we can ask anybody who is on that  
21 list if they wish to be heard on anything if they have any  
22 remaining concerns. And if not, anybody who doesn't have  
23 remaining concerns, we can take those issues off the table  
24 and then we've reduced the number of moving pieces in the  
25 case.

1           So I have made a note as you've gone through, but  
2       you probably have a better list. So I am happy to defer to  
3       you.

4           MS. VANLARE: Yes, Your Honor. Happy to do that.  
5       Okay, so I will go through my list. First is --

6           THE COURT: And these are all the folks who --

7           MS. VANLARE: Who are resolved.

8           THE COURT: From your point of view the objections  
9       have been resolved.

10          MS. VANLARE: Correct.

11          THE COURT: Okay. Please.

12          MS. VANLARE: Objection filed by Mr. Morton, Mr.  
13       David Morton. That's at ECF 475. The New Jersey Bureau of  
14       Securities, that's filed at 553. Helium, 582. The New York  
15       State Office of the Attorney General, that's 591. Valour,  
16       858. Foundry, 863. And counsel to Three Arrows Capital,  
17       that's 865.

18          THE COURT: All right. So let me ask if there's  
19       any of those parties who have just been identified as having  
20       their objection resolved, if any of them wish to be heard.  
21       If I don't hear from any of you folks, that's fine. Then I  
22       will assume that the disclosure statement objection is  
23       resolved. But if anybody has a different view of things,  
24       now is the time to chime in. So let me open that up to  
25       anyone who wishes to be heard among that group.

1           All right. I am not hearing any responses. I  
2 know it's conceivable somebody wants to respond and is  
3 having a technical issue. That happens all the time in the  
4 wonderful world of Zoom. But right now I'm not hearing  
5 anyone. If anybody is not being heard and wants to be  
6 heard, they'll manage to fight their way through their  
7 technical problems and chime in in the next couple of  
8 minutes. But otherwise, we'll consider all those objections  
9 to be resolved.

10           MS. VANLARE: Thank you, Your Honor. So next I  
11 would say the ones that are close to being resolved, which  
12 is the SOF International, 874. That's one where, as I  
13 noted, I think the only issue that's currently on the table  
14 is whether we can add additional disclosure around  
15 recoveries on the entirety of the Gemini lender claims, both  
16 secured and unsecured. I think we can do that as a footnote  
17 in the disclosure statement exhibits. And so I think with  
18 that, we are resolved.

19           THE COURT: All right. So anybody here from SOF  
20 International that wishes to be heard?

21           MR. DREW: Yes, Your Honor. That's accurate.  
22           I'm happy to hear that counsel is going to work with us  
23 on that table.

24           THE COURT: Okay.

25           MR. DREW: So that would resolve the objection.

1                 THE COURT: So I think we'll call these category  
2 trust but verify that you're all working together to get the  
3 requisite stuff put together and in the disclosure  
4 statement. And to the extent there's any bumps in the road,  
5 we can circle back to that. Any other in the trust but  
6 verify category?

7                 MS. VANLARE: Yes. And actually this one I think  
8 should really be in the resolved category. It's the one  
9 that I wasn't sure about before that I received  
10 confirmation. That's Docket 860, the Securities Litigation  
11 Lead Plaintiffs. We did have an exchange with them. There  
12 may be language that they would like to see in the document  
13 preservation provision of the plan, but they've agreed that  
14 that's really an issue for confirmation. In other words,  
15 we'll either resolve it or it can be an issue for  
16 confirmation.

17                 THE COURT: All right. Let me ask if there's  
18 anybody who is in the Securities Litigation Plaintiffs who  
19 filed the objection at Docket 860 who wishes to be heard.

20                 MR. PAPANDREA: Yes. Good afternoon, Your Honor.  
21 It's Michael Papandrea from Lowenstein Sandler on behalf of  
22 the Securities Litigation Lead Plaintiffs. Just figured in  
23 light of the confusion that I would chime in and just  
24 confirm that the way counsel characterized it is fair enough  
25 in our book. I think at this point as far as the disclosure

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1 statement is concerned, we're fine and we're happy with  
2 dealing with whatever concerns we have in connection with  
3 the plan and in connection with confirmation. Thank you.

4 THE COURT: All right. Thank you very much. That  
5 is very helpful to hear from you. And so we'll put that  
6 actually in the resolved category because it's been resolved  
7 for purposes of the disclosure statement. Obviously folks  
8 reserve their rights as to the plan. And we sometimes  
9 identify that specifically, but it's true in any event even  
10 if we don't say it. Excellent. All right. So that is  
11 resolved.

12 Any other ones that we should address, Ms.  
13 VanLare?

14 MS. VANLARE: Yes. This one is another one for  
15 trust but verify category. That's the Securities and  
16 Exchange Commission objection at Docket 510.

17 THE COURT: All right. And as I understood it  
18 during discussions and hope to resolve them and there was  
19 talk about the exculpation and the release. So let me hear  
20 from the SEC. Happy to hear from them. Counsel?

21 MR. UPTEGROVE: Good afternoon, Your Honor.  
22 William Upwegrove for the United States Securities and  
23 Exchange Commission. And with me is my colleague Therese  
24 Scheuer.

25 After a number of productive conversations with

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1 the Debtors, as alluded to by Ms. VanLare, we believe based  
2 on an email exchange today that the Debtors have agreed to  
3 language that addresses our outstanding disclosure issues.  
4 However, given that the most recent amended disclosure  
5 statement was filed during the hearing, we have not had a  
6 chance to confirm that all the changes that we believe were  
7 agreed on made it into the new amendment.

8 On a (indiscernible) review, it does look like we  
9 have some additional comments for the debtors including how  
10 the exculpation and (indiscernible) regulatory language has  
11 been incorporated. I think it's something we can work with  
12 the Debtors on. But these are very important issues to us  
13 and we want to make sure they are addressed.

14 With respect to two other issues, those being  
15 subordination of the government penalty claims and the  
16 exculpation provision, the debtors have agreed that these  
17 are reserved for confirmation. And finally, the Debtors  
18 don't appear to have filed, and it sounds like they are  
19 filing later today, the distribution principles that are  
20 referenced in the disclosure statement and have been -- Ms.  
21 VanLare mentioned earlier that describe the mechanics of the  
22 distribution.

23 The SEC is not taking a position on those  
24 principles today. But going forward we have asked and  
25 believe that debtors have agreed to provide us with three

1 business days' notice to the SEC for any amendment to the  
2 distribution principles and any contemplated acquisition of  
3 crypto assets other than BTC and ETH. And that's one of the  
4 areas where it looks like we might have been passing ships  
5 in the night. Because there is some new language it looks  
6 like in the disclosure statement with respect to advance  
7 notice to the SEC about the purchase of crypto assets other  
8 than BTC and ETH. But the amendment part of that didn't  
9 seem to get in there. So that's something I think we could  
10 just talk with -- we think it's probably an oversight and  
11 we'll talk with debtors about it.

12 Sort of just stepping back to finish up at a  
13 30,000-foot view, we've had conversations and expect to  
14 continue to have conversations with the Debtors concerning  
15 the expected distributions and related issues. But we want  
16 to make clear for the record that the SEC is not opining as  
17 to the legality under the security laws, the transactions  
18 outlined in the plan, or the distribution principles. And  
19 the SEC is reserving its rights in those regards.

20 And that's all I have unless Your Honor has some  
21 questions.

22 THE COURT: I certainly understand that as a  
23 confirmation issue. Obviously I recognize that this is a  
24 sensitive issue and also an important one in terms of the  
25 legality of transactions contemplated by the plan. And so I

1 know it's come up in various guises in various crypto cases.  
2 So I guess my one comment given all that is that I'm  
3 assuming those are conversations that are going to be  
4 ongoing among the SEC and the Debtors and other interested  
5 parties rather than something that lands with a thud at the  
6 objection deadline just because it doesn't serve anybody's  
7 interest to have things happen that way.

8           So I don't know if you have any thoughts about  
9 that. But certainly obviously I expect the SEC is looking  
10 at a lot of things in a lot of cryptocurrency cases. And so  
11 perhaps you have some gained wisdom from other cases or  
12 other circumstances that you might share. But I welcome any  
13 thoughts you have about that. My goal is that procedurally  
14 things are handled in a way where everybody gets to have  
15 their issues heard in a way that's fair and appropriate.  
16 And surprises are bad for everybody.

17           So any thoughts, Counsel, on that particular set  
18 of problems?

19           MR. UPTEGROVE: Totally understandable, Your  
20 Honor. I think that it all depends on the facts and  
21 circumstances of the particular issue and transaction of,  
22 you know, we are continuing to review the plan and the  
23 distribution principles once they're filed. And I think  
24 we'll continue to have those discussions with the debtors  
25 and other constituencies. To the extent there are issues,

1       we hear the concerns and we'll raise them with the Debtors  
2       or the Court at the appropriate time and try to give enough  
3       runway so there's not any type of a thud anywhere.

4                   THE COURT: I appreciate that, particularly in  
5       light of the fact that there's the New York State AG action  
6       which raises other issues as a matter of state law. And  
7       having spent a little bit of time in the government, I can  
8       appreciate the challenges of trying to get clarity on these  
9       kinds of challenging issues that arise in different ways in  
10      multiple cases.

11                  So I will say to the debtors and the SEC and  
12      anybody else, any other regulators, to the extent it's every  
13      helpful to have a conference, have a discussion, happy to do  
14      that just so we can try to get in front of the issues and  
15      avoid unnecessary fire drills, unnecessary confusion, and  
16      also unnecessary pleadings. Because if people don't know  
17      what's going on, it often leads to people needing to file  
18      things to protect their rights. And that isn't necessarily  
19      the best way for anybody to use their time. So I just want  
20      to make it clear, I'm happy to do any of that, anything that  
21      people think would be helpful in moving the ball forward  
22      with everybody reserving their rights, obviously. But just  
23      in terms of clarity, position, and where people stand and  
24      the impact on the case and things of that sort.

25                  So with that, anything else from the SEC?

1                   MR. UPTEGROVE: No, Your Honor. That was it.

2 Thank you.

3                   THE COURT: All right. Thank you very much. So,  
4 Ms. VanLare, so I will put that in the trust but verified.  
5 There's obviously some discussions that continue to need to  
6 happen and some language. But it did give sort of a good  
7 excuse to have a conversation. Obviously we're all paying  
8 attention to cryptocurrency cases in general. These issues  
9 can arise at really lots of different ways. And so again,  
10 anything I can do to help to try to get in front of those  
11 issues, let me know.

12                  MS. VANLARE: Thank you, Your Honor.

13                  THE COURT: If you need a moment.

14                  MS. VANLARE: Some water would be helpful.

15                  So I think that leaves the ones I had noted  
16 earlier, which is the Ad Hoc Group objection, Gemini, DCG,  
17 and the...

18                  THE COURT: And the U.S. Trustee's Office.

19                  MS. VANLARE: The U.S. Trustee.

20                  THE COURT: All right. So what's the best way to  
21 move forward on those? And if you want to take a minute or  
22 two to think about that and to talk to various folks, or  
23 we'll deal with it in real-time. And if you want to take a  
24 moment, just...

25                  MS. VANLARE: I'm sorry, Your Honor. I actually

1 think we've had conversations. I think we can just go  
2 forward.

3 THE COURT: All right.

4 MS. VANLARE: What I would propose is that we just  
5 go one-by-one. To the extent issues are resolved, perhaps  
6 they can note that for you. And they can obviously tell you  
7 the issues that are still bothering them, and I would like  
8 an opportunity to respond.

9 THE COURT: All right. So as to not look like I'm  
10 picking any favorites, what's the first one on the list, on  
11 the chart?

12 MS. VANLARE: Why don't we just go in order? The  
13 Ad Hoc Group.

14 THE COURT: Okay. All right. So let's hear from  
15 the Ad Hoc Group, who filed an objection at 859. And it  
16 sounds like there have been some substantial progress, but  
17 there are still some outstanding issues about the identity  
18 of released parties.

19 MR. ROSEN: Let me take my water so I don't have  
20 to go back and forth. I didn't know if the podium had that  
21 effect on people.

22 Your Honor, Brian Rosen, Proskauer Rose, on behalf  
23 of the Ad Hoc Group.

24 Yes, we did interpose an objection that raised  
25 several points. And Ms. Vanlare is correct that they did

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1 make modifications to the disclosure statement to try and  
2 address those. But one major one remains, and I actually  
3 think it was picked upon on by the Creditors' Committee in  
4 their pleading that they filed this morning as well. I  
5 don't know if it was their first, second, or lastly, but it  
6 was one of those.

7 Your Honor, there is language in the plan that  
8 provides that the Special Committee is going to have  
9 unlimited rights to grant releases, and it may do so at any  
10 time and for any reason. And I understand that Ms. VanLare  
11 has come back and said, well, we'll let you know now seven  
12 days prior to the -- when we filed the plan supplement,  
13 seven days prior to the voting deadline. But that's never  
14 enough time. And as a seasoned or experienced bankruptcy  
15 debtor's lawyer, I know that when you do something in the  
16 plan supplement, the argument usually is that we never saw  
17 it prior to the time that we had to submit our vote.

18 The problem that you have here is it's coupled  
19 with the fact that they are saying that anybody who votes in  
20 favor of the plan is therefore going to be agreeing to the  
21 granting of the releases to these parties, which as you  
22 noted, Your Honor, are parties that in a liquidating plan  
23 are not providing any value.

24 We're not addressing today the issue of the  
25 propriety of granting the releases. What we're trying to

1 address, Your Honor, is who were they talking about. There  
2 needs to be disclosure here so that parties know what  
3 unlimited rights the Special Committee is looking to grab  
4 and to whom they are offering to provide the benefits.

5 THE COURT: And why.

6 MR. ROSEN: And why. And that's exactly it, Your  
7 Honor. So we are trying to limit what we have to do today  
8 solely to the disclosure issue, saving for the rest whether  
9 or not this is even kosher, whether they should be even  
10 trying to do that.

11 So our view is simple. If you want to do this  
12 special committee, if you think you want to reserve your  
13 rights to grant John Doe, Jane Doe, et cetera --

14 THE COURT: I frankly haven't seen this. And  
15 maybe it's been in other cases and in other plans. I  
16 haven't seen it. I've seen releases brought to the Court  
17 under Metromedia and under law dealing with exculpation,  
18 which is fairly well-developed in this district. And judges  
19 are always concerned about giving a blank check. So we have  
20 our own trust but verify moments. And so I think I  
21 understand where you're coming from, Counsel. Anything else  
22 before I hear from the Debtors?

23 MR. ROSEN: No, Your Honor. That's our sole  
24 remaining point.

25 THE COURT: All right.

1 MR. ROSEN: Thank you.

2 MS. VANLARE: Your Honor, I just wanted to clarify  
3 certain things about the releases, understanding that of  
4 course it's an issue for confirmation.

5 But the releases that are proposed in the plan are  
6 very limited. They are solely consensual releases. There  
7 are no non-consensual third-party releases. And the  
8 releases under the terms of the plan are limited in several  
9 ways. First --

10 THE COURT: When you say consensual, consensual by  
11 whom to whom? I just want to be clear because I don't know  
12 who they are and what they're for. So it's hard to anchor  
13 it. It seems to be a bit ephemeral at the moment.

14 MS. VANLARE: They are granted by creditors who  
15 are voting to accept the plan. So a lot of times, as I'm  
16 sure Your Honor knows --

17 THE COURT: In a separate check box or an opt-in,  
18 an opt-out, or just automatic?

19 MS. VANLARE: No. They're voting for the plan.  
20 That is --

21 THE COURT: Well, usually there is an opt-in or an  
22 opt-out for things like that. Right?

23 MS. VANLARE: So based on our view of many cases,  
24 typically the opt-out/opt-in issue comes up in the case of  
25 creditors who are unimpaired who are not voting.

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1                   THE COURT: I don't know that I would characterize  
2 it that way. I mean -- well, let me get to -- I'm trying to  
3 figure out why are releases -- who do you want to release  
4 and why. Let's sort of start with the basics.

5                   MS. VANLARE: In terms of the parties, it is -- we  
6 are not including anyone who is defined as a DCG party under  
7 the plan. In other words, DCG, the parent entity and  
8 anybody who fits in that definition is excluded from the  
9 releases. We're not including anyone who --

10                  THE COURT: No, but who are we including? Because  
11 it's a liquidating plan. That's what I'm -- let's just cut  
12 to the chase. Who?

13                  MS. VANLARE: Yes. So it would be directors and  
14 officer and employees as of the petition date.

15                  THE COURT: But why?

16                  MS. VANLARE: Your Honor, we will include a  
17 general statement, the basis for the releases, as part of  
18 the plan supplement. But I think --

19                  THE COURT: But I'm asking as a judge. I want to  
20 know why. I don't think we need to bury the lead on that.  
21 It shouldn't be shrouded in mystery. I understand it's a  
22 confirmation issue, but it's a legitimate question to ask.  
23 It's a liquidating plan. Nobody is contributing anything at  
24 all or liquidating the estate assets. And typically  
25 releases are tied to something of value. That's different

1 from exculpation, people working on the case who shouldn't  
2 get sued for working on the case and trying to reach a good  
3 result for all stakeholders. So I get the exculpation and I  
4 get the releases of things of value with the very large  
5 caveat of whatever the Supreme Court is going to tell us the  
6 law is in the next year. But I'm just trying to figure out  
7 why in a liquidating plan we're even talking about releases.

8 MS. VANLARE: Well, Your Honor, they're also  
9 limited to -- so we're carving out --

10 THE COURT: I know you're trying to carve it out.

11 MS. VANLARE: Yes.

12 THE COURT: But it sort of buries the lead. Why?  
13 Right? So if it's in a seven, there's no releases. And  
14 this is essentially a seven. I understand why it's in 11,  
15 because there's lots of good reasons for it to be an 11.  
16 I'm not quibbling about the validity of having a liquidating  
17 plan in 11. But it's still a liquidating plan.

18 MS. VANLARE: I think these are individuals that  
19 were employed and were directors and officers as of the  
20 petition date and have continued -- many of them continued  
21 during the cases and they've spent a lot of time and effort  
22 in contributing to preserving the estate and --

23 THE COURT: Well, wouldn't that be exculpation,  
24 right? That we're going to give them the protection that  
25 they deserve for things they've done in connection with the

1 case? Because it shouldn't be a get-out-of-jail-free card.  
2 Again, I'm not trying to say anything negative about folks.  
3 I appreciate that they're working hard. And so this isn't  
4 personal. I'm just thinking about it as a conceptual  
5 matter. I am perfectly fine with giving them appropriate  
6 exculpation. You might have a joust or two with the U.S.  
7 Trustee's Office about exculpation. They tend to have a  
8 particular view about what it should be covering. There's a  
9 little bit of play in the caselaw. But I think the concept  
10 is pretty clear. And I don't have a problem with the  
11 concept at all because I think you can't make a case  
12 successfully if people who are helping to make it work  
13 successfully are on the hook for their efforts.

14 But for things that predated the filing of the  
15 case and really don't have anything to do with it, I'm just  
16 not sure why they should get a release.

17 MS. VANLARE: Your Honor, we will make that very  
18 clear in the submissions relating to confirmation. I think  
19 to answer your question, again, these are people who -- it's  
20 a narrow group and it's a narrow set of causes of action.

21 THE COURT: But what's the anchor for that group?  
22 What actions and/or responsibilities or duties is the anchor  
23 for those release? And I think that's what Mr. Rosen's  
24 question is; what is it that out of which the release  
25 authority springs or the anchor springs that makes one

1 executive different than another executive? And so that  
2 would be my question. I think that's a legitimate question  
3 just because we'll still fight about it at confirmation and  
4 I'm not -- I don't think anybody is contemplating ruling on  
5 any of that stuff now. But the idea is that people should  
6 have some sense of the disclosure as to we're going to seek  
7 releases for these kinds of people for this kind of conduct.  
8 Various people have concerns or may or may not have  
9 concerns, and we'll decide it at confirmation. But it at  
10 least gives people -- especially if your argument is that by  
11 voting in favor of the plan, they're automatically approving  
12 those releases. Because otherwise they are being asked to  
13 vote and then sign up for a scope of releases and they don't  
14 even know what it is. So I think it's got to be defined for  
15 purposes of the disclosure statement.

16 MS. VANLARE: Understood, Your Honor. We can see  
17 if we can add additional disclosures on that point.

18 THE COURT: All right. So we'll put that as sort  
19 of an open item. I'll take a different color pen and we can  
20 mark that. Because I don't think it's an unfair ask,  
21 especially if the Debtors want to do it the way they want to  
22 do it. And we can talk about that in terms of -- but if a  
23 vote for the plan is a vote for a release of unidentified  
24 people for unidentified things, that's just -- people are  
25 entitled to know what they're voting for.

1 MS. VANLARE: Your Honor, we do have an issue with  
2 -- the Ad Hoc Group has asked that we identify specific  
3 individual. We do have an issue with that, and that I think  
4 is worth raising.

5 THE COURT: Well, I am more concerned about if  
6 there is a principle, right?

7 MS. VANLARE: Understood. Okay.

8 THE COURT: What are the category of people and  
9 for what conduct in a way that can be identified. I don't  
10 think anybody is trying to in this day and age of the  
11 internet put -- make somebody the subject of Twitter  
12 campaign. But I do think people need to understand the  
13 principles enough that they could -- if somebody was  
14 identified to them, they would be able to apply those  
15 factors and understand whether that person is in our out.

16 Mr. Rosen, am I missing something on that?

17 MR. ROSEN: Your Honor, that is fine with us as  
18 long as we have adequate disclosure, with respect to exactly  
19 what you're suggesting, that will work.

20 THE COURT: All right. And let me ask Mr. Shore  
21 as well because I know the Committee weighed in on this as  
22 well.

23 MR. SHORE: Yes, that will work. As we put in our  
24 pleading, we're working through this with the Debtors. I  
25 think we're going to get to a place where there will be a

1 disclosures that will meet the creditors' concerns.

2 THE COURT: All right. All right. So we're going  
3 to work on that. And let me ask Mr. Rosen, that's the  
4 remaining issue for the Ad Hoc Group?

5 MR. ROSEN: Yes, Your Honor. The other points  
6 were taken care of. And we thank Ms. VanLare for that.

7 THE COURT: Okay. Great. So we are continuing to  
8 make progress. Excellent.

9 So that's the Ad Hoc Group. And next up on the  
10 chart in this group of unresolved issues I guess is Gemini.  
11 Is that right?

12 MS. VANLARE: Yes, Your Honor.

13 THE COURT: All right. Thank you.

14 MR. FRELINGHUYSEN: Good afternoon, Your Honor.

15 Anson Frelinghuysen, Hughes Hubbard & Reed, for Gemini Trust  
16 Company. My colleague, Dustin Smith, is in the courtroom  
17 today. Also want to express my gratitude to Elizabeth  
18 Beitler, who did a lot of work on this and is on the line.

19 THE COURT: All right.

20 MR. FRELINGHUYSEN: Appreciate all our associates.

21 THE COURT: I'm sure they appreciated being called  
22 that.

23 MR. FRELINGHUYSEN: Well, then that's a longer  
24 list.

25 As you know, Your Honor, we've already discussed

1 plans are flying around. We received the latest draft a  
2 little bit before it was docketed. We're not through our  
3 review of it. It does get us a lot closer, but we're not  
4 there.

5 In our objection we described the plan as  
6 siphoning value away from the Gemini lenders for the other  
7 creditors. I would now go more to a characterization of  
8 plugging some leaks. We are much, much closer to being in a  
9 place where we can support a plan being solicited with  
10 appropriate disclosures.

11 THE COURT: So let me ask you given the timing of  
12 things, which is fair -- you can't read it while you're  
13 sitting here. So what would you suggest the best and most  
14 efficient way to move forward from where we are to where we  
15 need to be? Because I think everybody agrees that we want  
16 to move the case forward expeditiously. What would you  
17 suggest? We could do everything from taking a break, we can  
18 do everything from we're going to set another hearing date  
19 and we'll sort of circle back then. Any thoughts?

20 MR. FRELINGHUYSEN: Your Honor, I don't think  
21 we'll be able to settle on the language via remote and with  
22 some of our colleagues in the office. But we can definitely  
23 resolve the language in the next couple of days. I don't  
24 feel like we'll have a problem getting there.

25 There are two things that I would like to address

1 here though.

2 THE COURT: Sure.

3 MR. FRELINGHUYSEN: One of which pertains to the  
4 note from Gemini that we already had a little bit of  
5 colloquy on. And then also I just would like to talk about  
6 the solicitation process because it's unique in that it's  
7 not being run by a solicitation agent, it's being run by  
8 Gemini. And most of our -- actually, nearly all of our  
9 issues there were just a matter of timing of when the plan  
10 was filed versus when we were sorting through the mechanics.

11 I think we, and I think the Debtors would agree,  
12 we've come up with a very good solution to getting  
13 information to our users, allowing them to vote through the  
14 Kroll portal and then having the process to tabulate those  
15 votes and get it back to Kroll so that they can then  
16 tabulate the actual outcome of the votes. And the process  
17 is now outlined in the plan. And I just want to make sure  
18 that everyone is clear that it's different than usual, but  
19 we feel like we designed a good plan and solicitation  
20 procedures to get there.

21 THE COURT: All right. Well, if you are all in  
22 agreement on it as you think that it allows the case to move  
23 forward and protects your customers, then I am certainly --  
24 from what I have seen of it, I am on board as well.

25 MR. FRELINGHUYSEN: So one thing in connection

1 with that is that -- and also with our role later down the  
2 line would be as the distribution agent for the assets  
3 moving to the earn users, I think one of our issues -- and  
4 I'm not sure if it's resolved or not -- is receiving  
5 exculpation for Gemini's human beings that do the work --  
6 I'm getting positive nods, so I feel great about that. I'll  
7 move on.

8 THE COURT: Well, that seems to be consistent with  
9 our earlier discussion about people who are helping to get  
10 the case done who are acting in good faith should not be  
11 legally in peril for their efforts.

12 MR. FRELINGHUYSEN: Right. Great. And then the  
13 last kind of structural issue that will inform a lot of the  
14 resolution that we are able to make with the debtors or not  
15 regards the cover letter that Gemini will be providing to  
16 its users. Now, most of our users they have a high capacity  
17 to track this case. They are tracking it in a way. But  
18 most of them have -- the vast majority of them have claims  
19 under \$10,000. Their level of sophistication with respect  
20 to bankruptcy is the full range. And they do tend to look  
21 to Gemini for information on the Genesis case.

22 And when we were talking about a note and when you  
23 were talking about a note earlier, a cover note, if the plan  
24 doesn't provide appropriate safeguards for the Gemini  
25 lenders, if we can't plug these holds, then Gemini doesn't

1 want its users to support the plan. And if the plan doesn't  
2 provide -- in the next step what I'm saying -- consent  
3 rights for the ongoing administration of the plan both with  
4 respect to the final documentation of the plan, the plan  
5 supplement, other definitive documents, and then the post-  
6 effective management of the post-effective date debtors,  
7 that presents a problem for Gemini. And we wouldn't be in a  
8 position to support the plan.

9 Now, the Debtors have said you can't get consent  
10 rights because you aren't supporting the plan. It's a bit  
11 of a chicken and egg problem. We would support a plan if we  
12 had the consent rights that would allow us to protect the  
13 Gemini lenders on a go-forward basis. And that's a little  
14 bit where we're stuck with the rounds of changes that we've  
15 been going through. And it pertains to whether or not in  
16 the note that we send to Gemini lenders telling them how to  
17 access their ballots and some of the technical things,  
18 whether we include in that note, which we intend to do, we  
19 vote that -- we recommend that you vote against or vote in  
20 favor of this plan.

21 We want very much to be in a position where we say  
22 we recommend you vote in favor of this plan. And we are  
23 within spitting distance of being able to do that. And it's  
24 just a matter of plugging the holes and having the forward-  
25 looking consent rights on the rest of the plan akin not to -

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1 - I mean, I know the UCC is a different entity. But as akin  
2 as possible to what the UCC has and as what the Ad Hoc Group  
3 has. Obviously excepting in the instances where the Debtors  
4 and Gemini will be in a dispute regarding the collateral  
5 action that we filed week before last.

6 THE COURT: So I guess I'm trying to get a sense of  
7 whether this is a topic that's still a subject of ongoing  
8 discussion. I don't want to wade into it and somehow derail  
9 ongoing discussions, or if this is something where you've  
10 reached sort of a dead stop in your back-and-forth.

11 MR. FRELINGHUYSEN: I would have said it was more  
12 of a topic of ongoing discussion until Your Honor's earlier  
13 statements regarding sending notes to creditors in that we  
14 would agree that we don't need a plethora of notes, but we  
15 do need to send a communication to our users --

16 THE COURT: All right. Well, let me put that in  
17 context. So I am sort of encapsulating my general  
18 experience. Also, however, we are all very practical people  
19 and there are times when a certain amount of flexibility is  
20 appropriate. And so I would encourage people to have a  
21 negotiation if there's a way to resolve an issue that  
22 everybody can live with that's fair to everybody. So I am  
23 not trying -- again, I see what's above the waterline of the  
24 iceberg. So that remains my general view about notes,  
25 because one note can lead to many notes and it can confuse

1 people. However, I recognize that there are a lot of  
2 different constituencies in this case. And in terms of  
3 communications, there may be special issues. And I don't  
4 know.

5 What I do know, taking a step back and looking at  
6 it from the 3,000-foot view, is this is really the  
7 creditor's plan. This is what the creditors want. And so  
8 we need to be able to make this work. Right? So there were  
9 other options. People said no, we don't want to do that.  
10 We want the no deal plan. At the verge of the no-deal plan,  
11 at a certain point I'm not sure if you don't do this, is  
12 there -- what else is there? Another no-deal plan? I mean,  
13 there is nothing else. Right? So people really have to find  
14 a way to make this work.

15 So we're in a position where people have asked to  
16 do this, and now we're doing it. So people have to be a  
17 little bit flexible and try to figure out ways to get it  
18 done. Because there is no other option after this. And I  
19 don't know what the case sinks into then other than being  
20 dead in the water, spending a huge amount of time and money.  
21 And people, particularly those people you mentioned, who  
22 have the vast majority of claims under \$10,000, who knows  
23 when they're going to see their money? And that's a real  
24 miscarriage of justice.

25 So I am sort of loathe to give more specific

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1 guidance. I think then I'm in ruling territory. But people  
2 have to get it done because this is the plan. If you've  
3 ever seen the Paul Newman movie The Verdict, he says, "This  
4 is the case. There is no other case. This is the case."  
5 This is the plan. This is the plan everybody wants.

6 MR. FRELINGHUYSEN: Your Honor, I think this is  
7 the plan that we want. We just need appropriate safeguards  
8 on it. I think we'll take what you said and we'll keep on  
9 discussing with the debtors. Hopefully we'll be back to you  
10 or they'll be back to you with language that we are all in  
11 favor of and that includes Gemini's support of the plan.

12 I do have to preserve one argument for later,  
13 which is the classification of the Gemini lenders in their  
14 own class, which of course permits them to be crammed down  
15 by the other classes. That's a confirmation issue. We'll  
16 raise it then. We just want to preserve our rights.

17 THE COURT: Well, that I think of all the things  
18 we've talked about today, that is very clearly a  
19 confirmation issue. So I would agree. And I think  
20 everybody understands the positions -- the reservation of  
21 rights that everybody has on that issue. All right.

22 MR. FRELINGHUYSEN: Your Honor, that's it.  
23 (indiscernible) other questions, I'm all set.

24 THE COURT: All right. I appreciate your  
25 thoughts. And so my sense for this is that there is still

1 some work to be done. And I'm going to stay out of it to  
2 the extent I don't want to -- I think any further  
3 involvement beyond comments at this point might impede your  
4 discussions. I'm happy to make myself available if you  
5 think I can be of use. You're in a better position than I  
6 am. But I would think that what we could do is -- my  
7 intention is to set another hearing date so that we can get  
8 to approval of the disclosure statement, and to set it soon.  
9 So I may take a break at some point and we can talk about  
10 what date is soon to keep the pressure on and to keep things  
11 moving forward. But at that point if we're not at yes on  
12 that issue, then I'll make a ruling. So I am open to other  
13 suggestions, but that seems to be the default.

14 MS. VANLARE: I think that's fine, Your Honor. I  
15 think where we are is, again, there are issues on the plan,  
16 drafting issues. I think we can work with Hughes Hubbard  
17 and resolve them. I think the issue of consent, we really  
18 view that as a confirmation issue. We're open to discussing  
19 consent rights for Gemini if there is a plan support  
20 agreement signed. But I don't think the consent issue,  
21 which again is a confirmation issue, should be used as a  
22 reason to delay solicitation, which is why I think our issue  
23 is really tying it to this note, the cover note. That's  
24 where we have an issue. But I think Your Honor -- at least  
25 what I took away from your earlier comments was that there's

1 not going to be a letter such that we can proceed with  
2 solicitation and leave the confirmation issues at the  
3 confirmation.

4 THE COURT: All right. Well, I will leave it to  
5 you all to have a discussion on that. Again, I stand by my  
6 earlier comments as a general matter. But again, I think  
7 anything more that I will say will potentially impede your  
8 ability to negotiate.

9 But since we're talking about Gemini, certainly  
10 one of the issues that was discussed is the adversary  
11 proceeding and sort of how that works vis-á-vis the plan.  
12 And that certainly -- maybe you already included language,  
13 maybe you already have -- again, like everybody else, I  
14 haven't gotten a chance to digest the tome. So what can you  
15 tell me about that? Is the plan to reserve? Is the plan to  
16 -- judges always want to know if we have to resolve  
17 something before confirmation. That's always kind of an  
18 important thing so I can get you time.

19 MR. O'NEAL: Your Honor, Sean O'Neal, Cleary  
20 Gottlieb, on behalf of the Debtors.

21 We are trying to address that in language. What  
22 we want to establish is that basically there is a  
23 possibility to do a reserve if necessary. It's obviously  
24 the burden of Gemini to demonstrate, for example, that there  
25 is a constructive trust or that they have a security

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1 interest. We dispute those things, and we say that we  
2 dispute that in the disclosure statement.

3 We don't want to have this process held up by  
4 that. And so we will just move forward. And to the extent  
5 reserves are necessary and required by the Court based on  
6 estimation or otherwise, we would do that of course. But  
7 we're not going to make it a condition precedent to the  
8 plan.

9 THE COURT: All right. I'm happy to hear that  
10 because obviously the ability to get in any plan  
11 distributions out to folks is important, and I don't know  
12 exactly what that litigation will look like. And everybody  
13 has to be able to present their case and garner their  
14 evidence. And so I'm heartened to hear that.

15 MR. O'NEAL: That's right. Your Honor, there's  
16 roughly \$800 million worth of GBTC being held that can be  
17 distributed. So we would like to get on with that.

18 THE COURT: All right. Mr. Rosen?

19 MR. ROSEN: Yes, Your Honor. Thank you very much.  
20 Brian Rosen on behalf of the Ad Hoc Committee.

21 Mr. O'Neal knows this. It is the Ad Hoc Group  
22 intention to seek to intervene in that litigation because of  
23 the importance of it. I think the Creditors Committee  
24 probably shares that perspective as well.

25 We understand the reserve issue. We do not wish

1 to delay in any way distributions to creditors. But at the  
2 same time, we would like to not diminish what could be an  
3 initial effective date distribution. So we would want to  
4 process this litigation as quickly as possible.

5 THE COURT: Yeah. I think there's a bit of a  
6 social compact here in the court where people say we're  
7 going to reserve this, but, Judge, we need to get this done  
8 promptly. I get that. But if done properly, it allows  
9 people to get recoveries and to handle litigation in an  
10 appropriate way, but on a timely basis. So I would agree  
11 with that.

12 MR. O'NEAL: And to make it clear, Your Honor --  
13 Sean O'Neal again, Cleary Gottlieb, on behalf of the  
14 debtors. We fully endorse the idea that any kind of  
15 reserves and any kinds of disputes over these matters should  
16 be resolved expeditiously, even if it's not a condition.

17 THE COURT: I would be surprised to hear you say  
18 otherwise. All right. Fair enough.

19 MR. FRELINGHUYSEN: Your Honor, Anson  
20 Frelinghuysen, Hughes Hubbard & Reed, for Gemini Trust  
21 Company again. The language and the plugs that we're trying  
22 to -- what we're doing are plugging those holes. This is  
23 the reserve that we're talking about. If it's the intention  
24 of the debtors that those reserves are not being held to the  
25 plan that we're trying to support, then we need to keep on

1 working on the language. The idea is that there are going  
2 to be reserves created. We're going to get as much out the  
3 door as possible while we litigate. We also hope we can  
4 move very expeditiously through the litigation while  
5 everybody's rights are preserved to do what they need to do  
6 to preserve their rights.

7 THE COURT: Yeah, no, I think it's one thing where  
8 all the parties seem to be on the same page about that. And  
9 it's a big enough issue that I didn't want to leave it go  
10 sort of unspoken or just dealt with implicitly. I think if  
11 you were a creditor who is listening in, this is something  
12 worth making explicit. All right.

13 MR. FRELINGHUYSEN: Thank you.

14 THE COURT: Anything else, Counsel, you wanted to  
15 address? All right.

16 So we will loop back to those issues, but it  
17 sounds like we've made some progress.

18 So going down the charts, what's next?

19 MS. VANLARE: It's Digital Currency Group.

20 THE COURT: All right.

21 MR. SAFERSTEIN: Good afternoon, Your Honor,  
22 again. Jeffrey Saferstein from Weil Gotshal & Manges on  
23 behalf of Digital Currency Group.

24 Your Honor, I think there are three main issues  
25 that we could use your guidance on. We have tried to work

1 out these issues with the debtors, and unfortunately we just  
2 haven't landed in a spot that is satisfactory to us.

3 THE COURT: So let me ask you, I don't know if  
4 those discussions are ongoing such that -- again, I try to  
5 temper my comments based on various things including the  
6 fact that I don't want to be a bull in the China shop. I  
7 certainly have seen that in my prior life as a litigator  
8 where judges thought they had ideas about what were going on  
9 that turned out to be markedly incorrect. So I will be  
10 guided by you. But if there are ongoing discussions where  
11 there's still room to make progress, I appreciate knowing  
12 that so I sort of stay away from certain things.

13 MR. SAFERSTEIN: No, I appreciate that. I don't  
14 think so. I think we have just a difference of opinion on  
15 certain disclosure issues.

16 THE COURT: All right.

17 MR. SAFERSTEIN: Which I am happy to go through.  
18 And I think I can do it relatively quickly.

19 THE COURT: Please.

20 MR. SAFERSTEIN: I think the first issue relates  
21 to the claims and causes of action that the Debtors believe  
22 they have against my client. And that's obviously a key  
23 element of the plan here, which obviously we disagree with  
24 and we intend to oppose any litigation brought against our  
25 client.

1           So what we did was we went through the disclosure  
2 statement, and in every section where they laid out claims  
3 that they thought that they had against my client, we had  
4 our response to that. And so, for instance, there is a  
5 section on alter ego and veil piercing. So they have a  
6 paragraph or two on it. We then have our response to why we  
7 think they're wrong as a matter of law and a matter of the  
8 facts.

9           And so we've sent them our proposed inserts to go  
10 with each one of the claims. And what we got back from them  
11 was they put them all together and they put them in an  
12 exhibit at the back of the disclosure statement. And so  
13 anybody who is looking at this would have to go through over  
14 200 pages to see our response. And when I actually got the  
15 binder today to come to court, I couldn't even find it at  
16 first. I did ultimately find it. It's Exhibit I think G in  
17 the back of the disclosure statement.

18           And that's if you're looking at paper. I mean, if  
19 you're trying to look on your computer and see what is --

20           THE COURT: Well, let me ask. Is there a  
21 placeholder that sends you to Exhibit G, or is it that you  
22 would have to go through all the exhibits to find G and then  
23 find it?

24           MR. SAFERSTEIN: I am not aware of any  
25 placeholder, Your Honor. And so it's a simple fix. If you

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1 go, for instance, to each of the sections, all we're asking  
2 is to put our insert after -- so they claim X, we say Y.  
3 And that's simple. And we think that given that this is the  
4 key element of this plan is litigation, creditors when  
5 they're voting on it in order to have adequate information  
6 should know both sides. Right? They should say we like  
7 this plan or we don't like this plan because of the  
8 litigation.

9 And so I don't think we're asking for a lot, but  
10 we do think it's fair. We think it provides adequate  
11 information to creditors to see both sides and the risks.  
12 By voting in favor of this plan, what are they voting on and  
13 what are the risks to them.

14 So we would just ask that those be reinserted in  
15 each one of the sections.

16 THE COURT: And as I understand it looking at the  
17 chart, that's probably the second of the three boxes for  
18 Digital Currency Group about the risks of pursuing certain  
19 causes of action against DGC's source of recoveries. Right?

20 MR. SAFERSTEIN: That sounds right, Your Honor.

21 THE COURT: All right. What I would like to do  
22 since there are three of these is just go back and forth on  
23 each one rather than aggregate.

24 MS. VANLARE: Your Honor, I am happy to do that.  
25 So just to respond on this point, again, just to be clear,

1       we are not -- it's not a disagreement about the content of  
2       the disclosure, it's a disagreement about the placement. So  
3       the -- actually DCG's counsel prepared the exhibit that lays  
4       out their position on these issues. We agreed to include  
5       that exhibit. They subsequently said, well, actually, no,  
6       let's break it up and let's kind of insert a paragraph after  
7       each point.

8                   So two points on that. First, any time they've  
9       asked us to say DCG disputes these points, we have added  
10      that language.

11                  THE COURT: Can you add a link or an  
12      identification to the exhibition?

13                  MS. VANLARE: We have also referenced the exhibit  
14      and we're happy to -- again, every time they have asked us  
15      to say DCG disputes this, we can say please see Exhibit G.

16                  THE COURT: And let me ask, is there sort of a  
17      link that if you're looking at this online, you can click it  
18      and go to Exhibit G?

19                  MS. VANLARE: That's beyond my technical  
20      expertise. I'm happy to try and do that.

21                  THE COURT: I think that would solve the problem.  
22      Because if you're worried about somebody looking at it, they  
23      can click on it and go right to what you all say every time  
24      it's mentioned. That would seem to solve the problem.  
25      Again, don't ask me to be the one to put in the link, but it

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1 doesn't seem all that complicated. I have at least one  
2 child who could do that for all of us if that came to it.

3 MS. VANLARE: Yes. As do I. Just not myself.

4 But, Your Honor, I think our issue, our concern with doing  
5 what they are proposing, which is including a paragraph from  
6 the debtors, a paragraph from DCG, people don't know --

7 THE COURT: No, I get it. It can get to be -- it  
8 can get to be a bit cumbersome. And, frankly, you could  
9 really back the whole thing out and have one exhibit and say  
10 to see the Debtors and DCG. But I don't want to snatch  
11 defeat from the jaws of victory by having you change it. So  
12 as long as it can be easily -- it's there, there's a  
13 placeholder and there's a way to click on it and find it so  
14 that somebody could say I would like to hear what the other  
15 side has to say. And I think given the population of folks  
16 here who I assume are fairly tech-savvy, that if there's a  
17 link that allows them to click on it every time it's  
18 referenced, then they can go right to it. I think that  
19 should solve the problem.

20 MR. SAFERSTEIN: Your Honor, I obviously would  
21 prefer it be together so people can see both sides so that  
22 they don't have to be flipping back and forth and back and  
23 forth. But I will be guided by Your Honor.

24 THE COURT: I think it will allow folks to see  
25 your full-throated view of the litigation and the exhibit.

1 And I know we're walking the line between disclosure, which  
2 is obviously what this is all about, and length and  
3 repetition and things of that sort. So again, the link  
4 sounds minor, but I actually think it's important so that  
5 people can -- when they're looking at this on their  
6 computer, they can easily find it without any issue at all.

7 So I would say any time that there is an  
8 explanation of the Debtor's views and you say DCG disagrees,  
9 for its position, please see. And with a link that allows  
10 them to find it easily. I think that should solve that  
11 issue.

12 So what's next?

13 MR. SAFERSTEIN: Okay. So we'll work on that  
14 language, Your Honor, for the link. The second relates to  
15 inclusion of the deal in principle. One other comment, Your  
16 Honor, on our inserts. We've given them additional language  
17 in the version that came out just before the hearing. I  
18 don't think it was included in it. So my expectation would  
19 be that they would include whatever we want to put in it as  
20 our position.

21 THE COURT: All right. Well, I will let you work  
22 through that.

23 MS. VANLARE: That's fine.

24 MR. SAFERSTEIN: Thank you. So the second relates  
25 to the deal in principle. And we asked for more disclosure

1 with respect to the deal in principle that had been reached  
2 between the Debtor, the UCC, and DCG. And Your Honor said a  
3 few minutes ago when speaking to Gemini's counsel about this  
4 is the plan and this is the only plan and what happens next.  
5 Well, the fact of the matter is that deal in principle from  
6 our perspective is still on the table.

7 THE COURT: But I have bad news. It's not the  
8 plan.

9 MR. SAFERSTEIN: I understand that.

10 THE COURT: They're not dueling plans.

11 MR. SAFERSTEIN: I understand.

12 THE COURT: So it's not going to be afforded plan  
13 treatment in the context of the disclosure statement.

14 MR. SAFERSTEIN: Understood a hundred percent,  
15 Your Honor. I just think creditors who have not been in the  
16 room negotiating and understanding -- I imagine that most of  
17 the creditors have no idea that there was a deal reached,  
18 that the UCC stood up in court and said was better than the  
19 litigation plan because it provided quicker recoveries in  
20 the -- all of that.

21 THE COURT: No, I read your papers. I get it.

22 MR. SAFERSTEIN: Right. So we just think --

23 THE COURT: So what is it that you're asking? So  
24 I think this is a matter of degree. Because it can't be and  
25 shouldn't be afforded plan treatment.

1 MR. SAFERSTEIN: Agreed.

2 THE COURT: I am okay with mentioning it, but it  
3 can't eclipse the narrative of the no-deal plan. That I  
4 think is not where we are. And I think it has the potential  
5 to be very confusing where I think you'll have people  
6 looking at it, am I voting on both of these. And that's not  
7 what we have here.

8 MR. SAFERSTEIN: And I'm not asking for that, Your  
9 Honor.

10 THE COURT: So what is it precisely that you are  
11 asking for?

12 MR. SAFERSTEIN: I think we would just like a  
13 little bit more description about the deal that was on the  
14 table, that is still on the table, so that creditors, when  
15 they're voting on this plan, may say we don't like  
16 litigation --

17 THE COURT: So where would that go? Would that go  
18 in the history of the case?

19 MR. SAFERSTEIN: Correct. It is the history of  
20 the case, Your Honor.

21 THE COURT: All right. So let me hear from the  
22 Debtors.

23 MS. VANLARE: Your Honor, it is in there. We have  
24 a paragraph that describes it. It is precisely in the  
25 history sort of how did we get to this point. We describe

1 it. We don't think it's still on the table, frankly. We  
2 don't think that that is an accurate representation of the  
3 state as we know it today.

4 THE COURT: Well, I think people have stood here  
5 and said we don't have the votes, to quote Hamilton. So I  
6 think that's the takeaway.

7 So if you want to put a link to some other docket  
8 entry where the plan is -- where that historically was --  
9 that issue was presented, then that's fine. But I think it  
10 should be in the context of the history of the case.  
11 Because otherwise, I think it runs the risk of really  
12 confusing the people who are voting.

13 Now, I understand you are advocating for your  
14 client. But I think the only way there is another plan is  
15 an agreement that people reach. And if people reach another  
16 agreement that's better than fighting over things or the no-  
17 deal plan, great. But it's not a dual plan situation.

18 So if there's a particular docket entry, Counsel,  
19 would you be all right with that, I assume?

20 MS. VANLARE: Yes, that's perfectly fine.

21 THE COURT: So we'll do the same thing. So we're  
22 going to keep the computer programmers busy.

23 MR. SAFERSTEIN: And, Your Honor, we're not trying  
24 to confuse the creditors when they're voting. But when  
25 creditors are voting, they should understand that there's

1 history here and that there is -- you even said it yourself,  
2 you know, what's the alternative. There is an alternative.

3 THE COURT: Well, there is and there isn't. It  
4 depends on how you phrase it. There historically was  
5 something on the table, but it doesn't have the votes.

6 MR. SAFERSTEIN: Well, we don't know that.

7 THE COURT: Well, the Committee stood up and said  
8 we don't have the votes. And the Debtor said we would like  
9 to go ahead with this plan, but we don't have the votes.  
10 And all the objections to that said, Judge, they don't have  
11 the votes. And I don't think anybody told me otherwise.

12 So you can argue at the wisdom of that, but again,  
13 I don't think we have an alternative plan. So I think we  
14 can't treat it that way. And I think if there's something  
15 where it's implicitly treated that way, I think it will  
16 cause great confusion. Because when people say, well, I  
17 rejected that plan because I thought I was getting the other  
18 plan, and you're going to say what other plan. So that  
19 would be an interesting negation.

20 So, again, I think that's why putting it in the  
21 history and putting a link to a document that historically  
22 was filed that describes that deal is the way -- the  
23 agreement in principle is the way to handle it because it  
24 puts it in its historical context.

25 MR. SAFERSTEIN: Understood, Your Honor.

1           THE COURT: All right.

2           MR. SAFERSTEIN: Thank you.

3           THE COURT: All right. So that's two. You're  
4 welcome. And so number three.

5           MR. SAFERSTEIN: So the three is probably more of  
6 a confirmation objection. But I think it does go to  
7 disclosure here. And it has to do with the rise of crypto  
8 prices. Crypto prices are up significantly from the  
9 petition date and even from a month ago. And it's very  
10 possible that the debtors are or will be solvent here. And  
11 I think if you look in the chart in the disclosure  
12 statement, I think the high end has creditors getting a  
13 hundred cents on the dollar.

14           And so we haven't gone through each provision of  
15 the plan and the disclosure statement, but to the extent  
16 that the debtors are solvent, one, DCG as the sole  
17 shareholder should be in the waterfall. There would be no  
18 reason to cut us out of it. And two, there are a number of  
19 plan provisions on corporate governance, et cetera, that  
20 would make no sense for others to control the winddown  
21 debtors, the post effective date debtors, other than DCG  
22 because everybody will have been paid par.

23           So again, that may be more of a confirmation  
24 objection as to whether or not we should be in the waterfall  
25 or not. But I do think it's somewhat of a disclosure in

1       that people understand that --

2                  THE COURT: But how does it affect a creditor  
3 voting on the plan? I don't think it does.

4                  MR. SAFERSTEIN: Well, they may for instance think  
5 that they're going to get paid -- if crypto prices go to  
6 \$100,000, they're going to get 250 percent on their claims.  
7 I don't know what they're going to think. All I'm saying is  
8 that if the Debtors are solvent, there are lots of issues in  
9 this plan that need to be reworked.

10                 And so I am happy to reserve those for  
11 confirmation, but I wanted to kind of lay that out today so  
12 that you understand and that I've made it clear we are  
13 reserving our rights on all of those issues. And, frankly,  
14 I think there's a lot of stuff in here on the disclosures  
15 that are probably not accurate when the Debtors are solvent.

16                 THE COURT: All right. I think I get that. So  
17 let me hear from the Debtors.

18                 MS. VANLARE: Your Honor, I think our view is  
19 that, as Mr. Saferstein said, it's an issue for  
20 confirmation. We would like to leave it for confirmation.  
21 Obviously the percentage recoveries are for general  
22 unsecured claims, does not include subordinated claims. And  
23 obviously there is issues around that as well. But this may  
24 never be relevant. If it's relevant, we can talk about it  
25 at confirmation.

1                   THE COURT: All right. Mr. Shore, it looks like  
2 you wanted to add something on behalf of the Committee,  
3 Official Committee.

4                   MR. SHORE: Are you finished? Because I -- Chris  
5 Shore, again, for the Committee. We are here on a  
6 disclosure statement for one plan, a no-deal plan. What is  
7 a no-deal plan is a deal that has the absence of two deals,  
8 a deal with Gemini and a deal with DCG. The deal with  
9 Gemini is an issue over the foreclosure or purported  
10 foreclosure of GBTC that is currently in the possession of  
11 Gemini and their claim to additional GBTC that is in the  
12 possession of the Debtors. The absence of a deal on that is  
13 addressed in the no-deal plan and in the no-deal disclosure  
14 statement. And there are some sequala to that which Your  
15 Honor is noting, which is when a claim objection goes out to  
16 the claim, how are we going to handle both the affirmative  
17 claim in and the claim for additional reserves of property  
18 that's in the Debtor's possession right now that they are  
19 claiming a superior right to.

20                  That's all addressed in the disclosure statement.  
21 It's all in there. Gemini's position with respect to that  
22 litigation and their direction as an agent to their employee  
23 -- or to their customers is something that's happening  
24 outside the plan, and that will have whatever effects it  
25 had. We'll work that out.

1           There is no DCG deal. Whatever deal existed  
2 before, leave aside the votes. We are at a different point  
3 in history.

4           THE COURT: I think I've already ruled on that. I  
5 think it's fine to put it in the history of the case, but I  
6 think anything beyond that is a bridge too far.

7           MR. SHORE: But I'm just concerned that Mr.  
8 Saferstein standing up here with an entire creditor body  
9 watching and listening to this, that there is some  
10 misapprehension that's already being created with respect to  
11 the no-deal plan. There is no deal with DCG. There is no  
12 outstanding offer to DCG. There is none of that. That is  
13 history of the case. What we are doing now is cleaning up  
14 the last few bits of documentation and cleaning up the last  
15 few bits of disclosure to get that out to creditors.  
16 Creditors will be asked to either accept that plan or reject  
17 that plan. But there is no alternative to the plan that's  
18 being put out.

19           THE COURT: I would agree. I wholeheartedly  
20 agree. This is the plan. There is no other plan. There  
21 was talk about a plan based on the agreement-in-principle.  
22 There was a lot of talk. And it didn't happen. It was  
23 talked about for a variety of people for a variety of time.  
24 And this is the plan. So I think that's right. And that's  
25 why I don't want to put it anywhere other than the history

1 of the case because that's where it belongs.

2 So what about this notion about the solvency and  
3 the rise of crypto prices?

4 MR. SHORE: I'm going to have a discussion with  
5 Mr. Saferstein after this about whether he really wants a  
6 whole bunch of disclosure around what subordinated creditors  
7 would be getting, which would be for example, agencies who  
8 are bringing claims against his client and whether he wants  
9 to put disclosure in there. But I think the issue of  
10 disclosures around a solvent debtor exception are not  
11 appropriate and necessary at this point because the premise  
12 of it is that there are not subordinated classes, which is  
13 not the disclosure that's being made.

14 THE COURT: All right. Is there anything -- as is  
15 often the case, one way of dealing with things is to include  
16 a line or two without a full-blown dissertation on the  
17 issue, which creates a misimpression. Is there a line or  
18 two that's appropriate here, or not really because it's  
19 really just not germane to voting on the plan for the people  
20 who are being solicited?

21 MR. SHORE: I think Your Honor put your finger  
22 exactly on it. I don't know that a creditor would say I  
23 would vote for the plan if I was getting 80 cents on the  
24 dollar, but the possibility that I'm getting a hundred cents  
25 on the dollar is something that would cause me to vote no.

1       Or if I am deemed to have been paid in full all of my  
2       statutory entitlements, I'm going to vote no because I don't  
3       want that money going to DCG. That's just not what's out  
4       there.

5                  THE COURT: So let me offer this thought. Judges  
6       do this all the time and say we are not in the business of  
7       writing a treatise about whatever everybody's rights are  
8       under potential law that may apply someday. It's very  
9       dangerous, it's very confusing, and it will make everything  
10      very lengthy.

11                 So I am not hearing anything that justifies  
12       delving down that particular rabbit hole at this point  
13       because I'm not hearing anything that makes that something  
14       that needs to be disclosed to a creditor when trying to  
15       decide whether to vote on the plan. The range of  
16       recoveries, yes. And if the cookie crumbles in a particular  
17       way and we have to address additional legal issues -- I had  
18       to address additional value that had to be distributed in  
19       the American Airlines case. And when we got there, we got  
20       there. And we had an argument about what the plan said and  
21       how it should be handled and how it should be valued and  
22       what time it should be valued and all that good stuff. None  
23       of it was in the plan. It was controlled by the -- I'm  
24       sorry, none of it was addressed that specifically in the  
25       plan. It was all covered by people -- we had the issue, it

1 was addressed. So I don't know that hypothetical issue is  
2 something that is necessary for purposes of disclosure and  
3 voting rights.

4 MR. SHORE: One last comment I wanted to make,  
5 Your Honor, coming back to comments you made earlier with  
6 respect to the role of the Committee.

7 I did want to point out that our statement, even  
8 in the end, is the result of a huge net that was cast  
9 throughout this case by the Committee both through formal  
10 communications with the creditor body and informal  
11 communications with the creditor body so that the Committee  
12 got to the place to understand the needs and concerns of the  
13 creditors both with respect to a plan or no plan or  
14 disclosures or what issues people have and what confusion  
15 they have and what more they want. And we have been in  
16 constant dialogue with the Debtors with respect to  
17 disclosures. They've taken a whole raft of comments that  
18 have come in. And if you can believe it, the disclosure  
19 statement objections, the pile you've got could have been  
20 significantly larger without those issues getting addressed  
21 through that process. So I think where we are right now is  
22 we have a disclosure statement subject to the few additional  
23 issues that need to be done. They're going to tell  
24 creditors everything they need to know about whether they  
25 should vote for a plan which leaves issues to be addressed

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1 at a later date or vote no and face whatever is out there  
2 which none of us can conceive of, a way of resolving this  
3 case differently than we're doing it now.

4 THE COURT: All right. So anything else from DCG?

5 MR. SAFERSTEIN: No, Your Honor. As I said, we  
6 haven't had a chance to look at the version, so we'll look  
7 at that. And hopefully that will address some of the  
8 smaller issues we have. But those are the three points we  
9 wanted to make.

10 THE COURT: That's a fair point. Thank you very  
11 much for your comments.

12 MR. SAFERSTEIN: Thank you.

13 THE COURT: And, Mr. Shore, since you were just up  
14 there, I know you filed that statement at Docket 895 on the  
15 7th. And the question is where there's anything that you  
16 need addressed for the Committee for purposes of today or  
17 these were all issues well underway in terms of being  
18 resolved.

19 MR. SHORE: The latter, Your Honor. Thank you.

20 THE COURT: Okay. All right. Thank you very  
21 much.

22 And so with that, if my scorecard is up to date,  
23 the remaining issue that needs to be addressed is the U.S.  
24 Trustee issues. And so with that, I thought it made sense  
25 to hear from Mr. Zipes.

1 MR. ZIPES: Good afternoon, Your Honor.

2 THE COURT: Good afternoon.

3 MR. ZIPES: Your Honor, I will try to be brief  
4 here. I've been listening closely and hopefully I've been  
5 able to incorporate certain comment already made. Some of  
6 our objections obviously mirror some of the other objections  
7 that have been filed.

8 THE COURT: Right.

9 MR. ZIPES: So, Your Honor, if I repeat, I  
10 apologize for that beforehand.

11 THE COURT: No, that's fine. And let me sort of  
12 start us off by asking a question. So there was talk about  
13 the distribution principles and there's a lot of talk about  
14 additional disclosures about recovery rates and things of  
15 that sort. So the question is what's still missing in your  
16 view and how to handle that. That is the distribution  
17 principles are sort of a term of art. And then we use non-  
18 defined terms to talk about the information being provided  
19 on various things. So maybe we can start there. Because I  
20 was just trying to sort through that myself. Because the  
21 plan supplement is designed to supplement the core parts of  
22 the plan. And the question is where do you draw the line.

23 So if you would be so kind. I think that's one of  
24 your -- if we look at the chart, I think that's probably the  
25 second box of the U.S. Trustee's Office.

1                   MR. ZIPES: Yes, Your Honor. And I think just as  
2 a general matter, I'll address your point directly right  
3 now. I have some general comments which I think may be  
4 helpful.

5                   In connection with the plan supplement, Your  
6 Honor, we've heard a lot today about putting in additional  
7 language in the disclosure statement. And I frankly haven't  
8 had a chance to review the latest version of the disclosure  
9 statement. The Debtors are cooperative and always reaching  
10 out and asking how they can disclose more for everybody  
11 involved.

12                  But there is a conceptual issue. The supplemental  
13 disclosure, the supplemental statement that's to be filed  
14 five or we hear now seven days before the balloting  
15 deadline, it contains very material terms. It contains  
16 things like the new governance documents, bylaws, names of  
17 the committee to be appointed, intercompany claims. And,  
18 Your Honor, that's -- supplements are obviously filed in  
19 every large case. But we are talking about disclosure right  
20 now and the disclosure statement. And in my office's view,  
21 it would be very helpful and relevant to have more  
22 disclosure in the disclosure statement about what's going to  
23 be in the supplement. You can punt on certain things, but  
24 this is --

25                  THE COURT: Well, that's why I sort of started off

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1 with the distribution principles. Right? Because there are  
2 some details about how material the identify of certain  
3 people who are going to act after the plan is confirmed.  
4 I'm not saying that isn't important, but it's not as crucial  
5 as what am I going to get and how is the value going to be  
6 distributed. So I think that's why I started there, because  
7 that's --

8 MR. ZIPES: Right. That was our point -- okay.  
9 And, Your Honor, that was one of our first points in the  
10 objection. The distribution principles, we have seen them  
11 in draft. I understand this is not yet filed online. I do  
12 think that it raises certain material points about what's  
13 going to happen, namely when debtors are going to get paid  
14 and how much. And it proposes certain ranges. And I don't  
15 want to say too much about it.

16 THE COURT: No, that's fair. But maybe the thing  
17 to do is to ask the debtors now -- because I did hear  
18 reference to how soon they anticipate getting that together  
19 and making that available on an amended disclosure  
20 statement.

21 So, Ms. VanLare, can you address that?

22 MS. VANLARE: yes. So I just would like to  
23 clarify something. The distribution principles don't  
24 contain recovery percentages or timing. That information is  
25 in the -- so we filed an additional exhibit to the

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1 disclosure statement that has additional ranges. So none of  
2 that is actually in the distribution principles.

3 THE COURT: So what do the distribution principles  
4 contain? What is it -- and when do you expect to have those  
5 available?

6 MS. VANLARE: So the distribution principles are  
7 really focused around how to distribute and the principles  
8 by which different types of digital assets will be  
9 distributed both on an initial basis and moving forward. As  
10 we've said, our goal is to try to do as much in-kind  
11 distributions as possible. That has been an issue that's  
12 very important to our creditor body and it's something that  
13 we have been in many discussions with various parties-in-  
14 interest, including creditors as well as the regulators. So  
15 the distribution principles is the -- again, the way in  
16 which --

17 THE COURT: Am I right? You're characterizing it  
18 as sort of the description of the mechanics?

19 MS. VANLARE: The mechanics, the rules of how --

20 THE COURT: So you've got the recoveries, which  
21 are germane.

22 MS. VANLARE: Correct.

23 THE COURT: And the mechanics of how that's going  
24 to happen.

25 MS. VANLARE: Exactly.

1 THE COURT: Okay.

2 MS. VANLARE: So nothing in the distribution  
3 principles in that document has to do with recoveries. I  
4 think we've included lengthy discussions and disclosures  
5 around recovery percentages. Again, we even updated that  
6 further given the different prices. And that's the  
7 additional --

8 THE COURT: That's very helpful. Because the word  
9 principles is obviously amenable to a lot of different  
10 understandings and could be how do we understand who should  
11 get what and why.

12 MS. VANLARE: Correct, yes.

13 THE COURT: But it sounds like what you're really  
14 talking about is the distribution mechanics of what kind of  
15 -- how the value will be conveyed and the mechanics for  
16 distributing the value.

17 MS. VANLARE: Exactly.

18 THE COURT: So when would you expect to -- I know  
19 that that has been the subject of a lot of negotiations.  
20 And do you have any sense of when you might have that  
21 available? Just because it might moot out some of the  
22 discussion we are having here.

23 MR. O'NEAL: Certainly. Sean O'Neal, Cleary  
24 Gottlieb, on behalf of the Debtors.

25 So this has been something that we've been working

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1 on for some number of weeks. But I will tell you that it's  
2 largely a creditor-driven process. We've had the Ad Hoc  
3 Group really working on it and the Creditor's Committee  
4 working on it and other constituencies. So it's very much a  
5 collaborative effort. And we are hoping, we are aiming to  
6 get that done today. And I would like to say we're going to  
7 do it today because that might actually help us get it done  
8 today. So I think we're going to do it today.

9 THE COURT: Well, the reason why I mention it is  
10 if we are going to have another hearing to close the loop,  
11 if it's done by then, then it's part of the disclosure  
12 statement that would be approved. Right? And that would be  
13 the benefit because it would --

14 MS. VANLARE: That's always been our intent, Your  
15 Honor.

16 THE COURT: Okay, all right.

17 MS. VANLARE: It is an exhibit to the disclosure  
18 statement. We are not proposing it be filed as part of the  
19 plan supplement.

20 THE COURT: Okay. All right. I think that's  
21 helpful. Although Gemini might have some thoughts about  
22 that?

23 MR. FRELINGHUYSEN: Sorry, Your Honor. Anson  
24 Frelinghuysen, Hughes Hubbard & Reed, with Gemini. We have  
25 not been part of the collaborative process that leads to

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1 distribution principles. And the draft that we saw this  
2 morning was prejudicial to Gemini's interests. So we will  
3 continue to work and hope it gets resolved today. But it's  
4 not there yet.

5 THE COURT: All right. Mr. Rosen?

6 MR. ROSEN: Thank you, Your Honor. Debtor's  
7 counsel is absolutely correct. This has been a creditor-  
8 driven concept. The Ad Hoc Group has been working for long  
9 and hard with both the Debtors and the Creditors' Committee  
10 to try and develop these principles. And it's almost like a  
11 waterfall. The sequencing is how the distributions will  
12 flow out in the future. We do understand that Gemini did  
13 express a concern about one issue this morning. Mr. O'Neal  
14 conveyed that to me. And we also understand that the UCC  
15 has one issue that they would like to address with us.

16 I think you are right, Your Honor, we will put  
17 this together. I know we would all like to do it today, but  
18 day follows night and we're almost at night now, Your Honor.  
19 And so I'm not sure it's going to get filed today. But I  
20 think your suggestion about getting it done quickly and  
21 having it with a set deadline is the right way to go. And  
22 we will endeavor to make that work for everybody.

23 THE COURT: And certainly to Gemini's point, what  
24 we're talking about here is disclosure. Right? So it  
25 doesn't prejudice anybody's rights to be heard on the actual

1 substance. But the idea is that creditors would have a  
2 sense of what the distribution principles -- or I'm going to  
3 start calling them the mechanics are, and then we can take  
4 it from there. And I think that that helps address the U.S.  
5 Trustee's disclosure objection to say we don't know what  
6 those are and when are we going to get those. So it sounds  
7 like we would have those before. And I'll go out to say we  
8 should have those -- we'll set a hearing date and maybe  
9 we'll set a deadline based on that next hearing date so that  
10 they would be done in enough time to take a look at them.

11 So hopefully that's helpful in thinking about  
12 these issues, Mr. Zipes.

13 MR. ZIPES: And I appreciate that, Your Honor.  
14 And on that subject, that's a more general point, Your  
15 Honor. We think it is appropriate to -- these are material  
16 terms to the disclosure statement, and the parties here may  
17 understand the terms, but this is confusing to the general  
18 creditor population. And we do think to the extent the  
19 disclosure statement is being amended or added to, that it  
20 be done on a deadline and then parties have a chance to  
21 review --

22 THE COURT: I think that makes sense just in terms  
23 of having it be an orderly process. Although I will say the  
24 creditors have a lot of representation here. So I know that  
25 if you're an individual and you have, say, \$10,000 invested,

1 this is a bit of a white-knuckle flight. I think we all  
2 understand that. But I will say that there are a large  
3 number of professionals who are looking out for the  
4 interests. You have the Creditors' Committee, you have the  
5 Ad Hoc Group, and you have Gemini speaking on behalf of the  
6 Gemini users. And so

7 I think as long as we can get this done in advance  
8 of the hearing, so as part of the Disclosure Statement, then  
9 people can talk about things as necessary at confirmation.  
10 But it'll be out there for purposes of the Disclosure  
11 Statement. So, let me ask you, Mr. Zipes, because the  
12 existence of this thing being filed today, this afternoon,  
13 and a lot of the changes which overlap with some of the  
14 concerns you raised, put you in a bit of a challenging  
15 position because I know I had the pleasure of spending the  
16 morning with you on a variety of matters. So, is -- we can  
17 certainly go through any particular issues you want to talk  
18 about. But we could certainly also table it if you wanted  
19 to say, "Judge, there's been a lot of changes and I need to  
20 look at the changes because a lot of them address our  
21 issues", and then we loop back. I'm sort of open to  
22 suggestions because I don't think you have an ability to  
23 sort of hold it up to your head and understand the contents  
24 of the current document. So, do you have a preference or a  
25 thought about the best way to do this?

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1                   MR. ZIPES: Your Honor, I don't need to go through  
2 every point. I think some general guidance --

3                   THE COURT: Sure.

4                   MR. ZIPES: -- from the Court would be helpful  
5 right now and I think the parties would basically respect  
6 that, at least --

7                   THE COURT: All right. Then raise whatever issues  
8 you'd like. That's fine.

9                   MR. ZIPES: So, Your Honor, on the issue -- and  
10 these are only a couple of points at this time because I  
11 think most of it's been addressed subject to confirmation.  
12 But confirmation of the language in the Disclosure  
13 Statement, I should say, not confirmation of the Plan. On  
14 the issue of the Plan Supplement that's being filed, I know,  
15 again, this is standard. We do think it would be helpful to  
16 have further information in the Disclosure Statement about  
17 what is going to be in the Plan Supplement. Right now, it's  
18 very general and vague and just has new governance documents  
19 and has very vague language. So, Your Honor --

20                  THE COURT: All right. So, what I'd like to do is  
21 take each one of these in turn if it's all right with you.

22                  MR. ZIPES: Yes.

23                  THE COURT: Just to get the Debtor's view. Ms.  
24 Vanlare, any thoughts on adding some language to that?

25                  MS. VANLARE: I'm happy to do that. I'm honestly

1 not sure what additional disclosures Mr. Zipes is looking  
2 for. I think we list, as is common, the types of documents  
3 that --

4 THE COURT: I guess what he's saying is, that this  
5 way, a creditor who might be interested in a particular  
6 issue, the Plan Supplement say, "Oh, this is going to be  
7 included in the Plan Supplement." So, it's more a laundry  
8 list of what you anticipate including there. So, it's sort  
9 of the promise of additional disclosures.

10 MS. VANLARE: We have that, Your Honor. We have  
11 that list.

12 MR. ZIPES: Your Honor, I agree that there's a  
13 laundry list in there. It would be helpful to have further  
14 language. Obviously --

15 THE COURT: So, what language did you have in  
16 mind, I guess, is the question?

17 MR. ZIPES: Well, a general statement of what the  
18 Bylaws might be of the new Committee. Just rather than just  
19 saying "Bylaws", have some description -- some re-  
20 description of what that is, the names of the Appointees,  
21 Your Honor. I think you've --

22 THE COURT: But I'm guessing they don't know the  
23 names yet or the names would be in there. That would be my  
24 guess.

25 MS. VANLARE: We do not.

1                   MR. ZIPES: Right. So, Your Honor, that -- I  
2 understand that that point has been brought up.  
3 Intercompany claims, what that -- there's going to be some  
4 sort of disclosure about intercompany claims. And Your  
5 Honor, this is just someone speaking from the outside. So,  
6 there might be -- there might be someone --

7                   THE COURT: No, no. That's fair --

8                   MR. ZIPES: -- there might be -- this might be  
9 completely obvious to the parties --

10                  THE COURT: So, for intercompany claims, I think  
11 it might be helpful to include a line or two because I don't  
12 think necessarily somebody who has got a \$10,000 investment  
13 understands the significance of an intercompany claim and  
14 whether it's going to affect them. So, I think that's a  
15 very fair point, Mr. Zipes, and probably one that can be  
16 fairly easily remedied. So --

17                  MR. ZIPES: Okay, and --

18                  THE COURT: So, hold on a second. I'm just going  
19 to -- that's my view and I want to make sure that I'm not  
20 missing something, and that Ms. Vanlare and Mr. O'Neal agree  
21 with that. Again, just -- because again, "intercompany  
22 claims" sounds very mysterious to a user who may only have  
23 \$10,000 invested and has not taken bankruptcy as a course in  
24 college or law school.

25                  MS. VANLARE: We can take a look and see if

1 there's additional information we can include on that point.  
2 I think our understanding is, what we're thinking is that it  
3 would be an additional disclosure around intercompany claims  
4 that may change between now and then, which is why it hasn't  
5 -- why we don't have that information today.

6 THE COURT: All right. I think the idea is,  
7 somebody might say, "I had no idea what this has to do with  
8 me. Does it have anything to do with me?" So maybe just  
9 the context, the significance of it. That, I think is --

10 MS. VANLARE: We can do that.

11 THE COURT: -- would be helpful.

12 MS. VANLARE: We can do that.

13 THE COURT: All right. Mr. Zipes?

14 MR. ZIPES: Then, turning to the Releases and the  
15 Exculpations, Your Honor, I again think some disclosure -- I  
16 understand that this --

17 THE COURT: Well, I think I made clear that I had  
18 a view about the need for additional disclosures on that.  
19 So, I think you had me at hello --

20 MR. ZIPES: Okay.

21 THE COURT: -- in the sense of, I think it needs  
22 to identify the kind of individuals, as well as the kind of  
23 conduct we're talking about so people can understand, even  
24 if they don't know the names of the individual people, and I  
25 don't think that's necessary, but they can understand the

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1 reason for it and the scope of it. So, I agree with you on  
2 that.

3 MR. ZIPES: And Your Honor, there was some  
4 disagreement about -- I'm sorry, did you --

5 MS. VANLARE: No, no, no.

6 MR. ZIPES: Okay. There was some disagreement  
7 about the relevance of Purdue and the opt-in/opt-out, which  
8 the Court also mentioned. I would just state that, to the  
9 extent the parties are still going in that direction of  
10 releases, the ballot may have to be changed to reflect opt-  
11 ins for releases. And so, that's another thing that we  
12 would like to see, Your Honor, and I don't know that there's  
13 an agreement on whether that --

14 THE COURT: Well, I confess, I don't really know  
15 how to respond to that because I don't know the scope of the  
16 releases and who is being released and why. So, I think  
17 we'll have to have another conversation about that at the  
18 next hearing.

19 MR. ZIPES: Okay.

20 THE COURT: I'm not smart enough to predict the  
21 future on that one.

22 MR. ZIPES: And Your Honor, it's possible my  
23 office can be satisfied on that depending on what the  
24 Debtors are proposing. My office has been pretty clear, I  
25 think, on what we'd agree to. We understand that the

1 parties don't necessarily agree with us, and --

2 THE COURT: All right, all right. Well, I trust  
3 you'll have a conversation about that and obviously, the  
4 state of the law is the state of the law until the Supreme  
5 Court speaks and tells us what the state of the law is. And  
6 so, I think everybody's been, in cases I've seen, have been  
7 operating that way, and so, I think this case is no  
8 different. So, all right. That's fair enough.

9 MR. ZIPES: And I'm just bringing up the Committee  
10 getting the release, the post-Confirmation Committee getting  
11 a release on the issues that have already been discussed in  
12 that regard, as well.

13 THE COURT: All right. Again, my thought with  
14 releases, it's all the same. We need to understand the who  
15 and the why as an intellectual matter, particularly in the  
16 context of the liquidating Plan.

17 MR. ZIPES: Okay. Just moving on very briefly,  
18 Your Honor. I heard you on exculpations and I understand,  
19 as well, that the Court has the final say on this unless  
20 it's appealed. But my office's position is, fiduciaries  
21 only can get an exculpation. Did the Court rule or make a  
22 statement in connection with that?

23 THE COURT: I didn't make any ruling because  
24 things are, sort of, in flux, so I don't have particular --  
25 I don't think anybody brought in front of me particular

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1 language to debate today. So, that is a confirmation issue.  
2 But again, I think the law is fairly well developed in this  
3 District on those issues. So, I confess, I don't see the  
4 need to blaze a particularly new trail. I don't think  
5 anybody would be surprised, I guess, is where I would be --  
6 how I would be looking at those things. Because you need to  
7 have people working on the case, be able to do the work that  
8 leads to getting the value distributed to creditors,  
9 interested parties. At the same time, it's not a laundry  
10 list of somebody who worked on the case's grandmother.  
11 That's not what we're doing. So, I think people should have  
12 a pretty idea of where the judges in this District come out.  
13 And frankly, I don't know that we're a whole lot different  
14 than judges in other districts that handle large cases, so -  
15 -

16 MR. ZIPES: Okay, and also, in connection with  
17 exculpations, the period of time between -- generally, it's  
18 between the Petition date and the confirmation -- the  
19 effective date and so, we'd ask for clarification on that  
20 and confirmation that that's the period of time that we're  
21 talking about.

22 THE COURT: All right.

23 MR. ZIPES: As to the ad hoc group, it is getting  
24 paid its -- if it agrees, and I understand that it's not  
25 agreeing, at least at the moment, if it agrees subject to

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1 the terms that are laid out by the Debtor, I think it's \$1.5  
2 billion and the ad hoc group agreeing to it. The ad hoc  
3 group's professionals get their professional fees paid, at  
4 least that's our --

5 THE COURT: Well, but we're really segueing into  
6 confirmation issues, though, aren't we? Is there an issue  
7 about disclosure?

8 MR. ZIPES: Well, the issue here is, they need to  
9 explain why this group of creditors gets legal fees paid,  
10 basically, and others, are not. So, there needs to be some  
11 disclosure about that.

12 THE COURT: All right. I mean, I think the  
13 recoveries really are -- I'm in favor of disclosure, but I  
14 do think it's more of a confirmation issue in terms of  
15 that's -- whether it's proper or not proper as opposed to a  
16 creditor saying, who cares about the recoveries as opposed  
17 to whether the ad hoc group is being paid. That's just my  
18 sense of what creditors are going to care about. But I  
19 think it's fine. There's no reason not to get in front of  
20 it.

21 MR. ZIPES: Okay.

22 THE COURT: Next?

23 MR. ZIPES: Just something that came up today, the  
24 letters in support of the Petition. No issues at all with  
25 the fiduciary, the Unsecured Creditors Committee, finalizing

1 a letter for or against whatever it wants to do. But we  
2 would also have issues with just other letters going in and  
3 --

4 THE COURT: Well, I think everybody has an  
5 interest in clarity. We don't want to muddy the waters, so  
6 that somebody receiving this package, which we all know will  
7 be substantial, having a -- being confused about what's  
8 going on and what's happening. So, that's why, and for my  
9 general view in talking to Gemini about letters, the getting  
10 other letters, and so it's not -- I'm not trying to rain on  
11 Gemini's parade, I'm just talking about just multiple  
12 letters from anyone really. So, it sounds like there's  
13 still going to be some discussion about that, the devils and  
14 the details and so, again, I don't want to impede those  
15 discussions. But it's got to be as clear as we can make it.

16 MR. ZIPES: And then finally, I think the last  
17 point here, Your Honor, is, there are basic carve outs for  
18 exculpation and releases for the usual gross negligence.  
19 There is some language in this Plan that is a little bit  
20 vague in connection with the post-Confirmation Committee and  
21 whether it also is getting releases from liability --

22 THE COURT: Well, again, I think the issue is  
23 about who and why in a liquidating plan. So, I think that's  
24 true across the board and I think people voting on the Plan,  
25 that's something that's appropriate for them to know. And

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1 it's also appropriate for interested parties to know, so I  
2 think that's right.

3 MR. ZIPES: Your Honor --

4 THE COURT: I mean, the Committee mentioned it in  
5 one of its three points. So, I think it's fair game. And I  
6 was looking at the chart and I think what you were talking  
7 about, the ad hoc group is the justification for payments,  
8 the ad hoc group. So, I don't see any reason why a line or  
9 two can't be added to get in front of that issue and  
10 obviously, it can be the subject of discussion at  
11 confirmation if necessary.

12 MR. ZIPES: Your Honor, I very much appreciate it  
13 and I appreciate the parties' cooperation. Your Honor, just  
14 again in terms of notice and to make sure that we're not at  
15 the next hearing getting papers presented --

16 THE COURT: No, what I'd like to do is schedule a  
17 hearing and then I'd like to schedule a deadline. I think  
18 I'm going to steal Mr. O'Neal's notion, that by saying it  
19 out loud. We're going to say it out loud because it's a  
20 good idea to have it happen by then. And so, what I'd like  
21 to do is find out from folks when we think a next hearing  
22 makes sense and then we can work a deadline from them so  
23 that we can do this as efficiently as possible. That's a  
24 very fair point.

25 MR. ZIPES: And before I sit down, Your Honor, I

1 just want to ask that the Objections were already filed and  
2 we wouldn't need to file them again, at least --

3 THE COURT: Oh, no. Everybody filed their  
4 Objections. We've gone through them, and the understanding  
5 is, you're looking at the language. If something about the  
6 new language raises an issue, then you'll talk to the  
7 Debtors about it and other interested parties and if you can  
8 resolve it, great and if you can't resolve it, then we'll  
9 talk about it at the next hearing.

10 MR. ZIPES: Thank you.

11 THE COURT: All right. Thank you very much. All  
12 right, so unless I'm missing something, I think we're at the  
13 part of the program where we would set another hearing date.  
14 And so, let me ask the Debtors what you would have in mind  
15 in terms of timing. I think we've had a very productive  
16 afternoon, so I thank all the professionals, everybody  
17 involved, for that. So, in terms of taking the final step  
18 forward, Ms. Vanlare, what do you have in mind?

19 MS. VANLARE: So, Your Honor -- and we agree it's  
20 been very productive, and we appreciate it. I think we'd  
21 propose Monday if Your Honor is available.

22 THE COURT: All right, and if we had Monday, the  
23 question would be, when would things be filed so that people  
24 have the most up to date Disclosure Statement?

25 MS. VANLARE: We would propose Friday. Friday at

1 5.

2 THE COURT: All right. If you could indulge me, I  
3 want to take a two -- less than two-minute break to just  
4 wander off, although, I might just talk to this nice lady to  
5 find out what my life looks like on Monday.

6 CLERK: Monday at 11, you have (inaudible)

7 THE COURT: All right. Anything in the afternoon?

8 CLERK: (inaudible)

9 THE COURT: Oh, all right. So, I don't need to  
10 leave the bench. So, how would Monday afternoon work?

11 MS. VANLARE: I think that works for us.

12 THE COURT: All right. So, 2 o'clock, and any  
13 changes to the Disclosure Statement would be filed by Friday  
14 at 5. Obviously, I'm not trying to stand in the way of  
15 further improvements or people having discussions, but the  
16 idea is, it resolves the problem of people saying, "I  
17 haven't seen that, and it affects me." So, there may be  
18 some very, particularly, parochial issues and I'm thinking,  
19 for example, of Gemini talking about some specific things  
20 that are specific to it, and so, filing that Friday at 5  
21 doesn't impair your ability to continue to talk. But for  
22 anything of general interest, I would think that Friday at  
23 5, it should be in there. I'm sorry, Friday at 5, and  
24 Monday at 2. And just to, sort of, jump ahead, I know  
25 exclusivity is on today. I think today's hearing is

1 evidence of progress. I think it almost, by itself,  
2 satisfies the requirements for an exclusivity extension and  
3 so, I'm happy to spend as much time as is necessary. I  
4 don't want to cut off anybody's rights, but we're clearly  
5 making progress on the Plan that has been the focus of  
6 Creditors' aspirations. And so, I'm happy to get into  
7 whatever record we might need to make, but I'm hoping that  
8 that will be a short process.

9 MS. VANLARE: Just one other point about the  
10 hearing on Monday, Your Honor. Should we assume it's going  
11 to be another hybrid hearing or should it be a Zoom --

12 THE COURT: So, the idea between -- and behind  
13 getting together was, some things are actually more  
14 productive, and I do think today was more productive as a  
15 result of you all being here, so I thank you very much.  
16 It's also nice to see real faces and not have to worry about  
17 somebody unmuting. That's a real joy. So, my thought is,  
18 I'm happy to follow your lead. If you think another in-  
19 person would be helpful, I'm happy to do that. If you think  
20 remote would be fine, I'm happy to do that. Your call.

21 MS. VANLARE: Okay. We'd like to have another  
22 hybrid. So, have an in-person option available.

23 THE COURT: Okay. That's fine. Again, whatever  
24 best serves the needs of the case, and you all are in a  
25 better position to judge that than I am. And obviously,

1 anybody who wants to participate remotely, can participate  
2 remotely, but I think that there is some efficiency gained  
3 by having everybody here. So, all right. So, Monday at 2  
4 o'clock, deadline of Friday at 5. I've given a preview of  
5 my view about exclusivity, but I guess, Ms. Vanlare, I'll  
6 turn it over to the Debtors, or Mr. O'Neal, to briefly tee  
7 it up and then if anybody wants to be heard.

8 MR. O'NEAL: Your Honor, I don't think we need to  
9 spend much time on this request. I think we have made  
10 progress with respect to the Plan and the Disclosure  
11 Statement, the distribution principles and a variety of  
12 different documents and discussions are ongoing. I think  
13 it's been a collaborative process. We've taken the  
14 objections to the Disclosure Statement seriously and we've  
15 tried to remedy those objections. We're continuing to work  
16 on documenting the (indiscernible) capital settlement --

17 THE COURT: And when is that on for? I know that  
18 (indiscernible) soon.

19 MR. O'NEAL: (indiscernible) to finalize the  
20 documentation --

21 THE COURT: All right.

22 MR. O'NEAL: -- which is in progress and then  
23 we're hoping to get it on file on -- the hearing is on  
24 November 30th.

25 THE COURT: All right. Great. Thank you.

1                   MR. O'NEAL: So, we wanted to get it on file in  
2 time to give people notice for that. Then also, we do  
3 continue to have unresolved contingencies, particularly with  
4 respect to the Gemini matters. So, I think, with that,  
5 we've continued to make progress and I feel like we've made  
6 the necessary showing for an extension of exclusivity.

7                   THE COURT: All right.

8                   MR. O'NEAL: I think the question may be, what is  
9 the period of time?

10                  THE COURT: Yes.

11                  MR. O'NEAL: I am interested in Your Honor's views  
12 on that. I have a sense of what Your Honor might say. We,  
13 of course, would like to have as much as possible. But we  
14 also realize there is now a hearing that has been scheduled  
15 on Monday. The last time we did this, you scheduled it for  
16 the date of the hearing and then we could make an oral  
17 Motion. We're happy to approach it that way again, if that  
18 is Your Honor's wish, or we could go out further. I'm sure  
19 that the Creditors will have something to say about that, as  
20 well.

21                  THE COURT: All right. Thank you. Mr. Rosen?

22                  MR. ROSEN: Yes, Your Honor. I appreciate that  
23 Mr. O'Neal finished the way he did. We, as you know, Your  
24 Honor, were opposed to any extension previously. We all  
25 agreed that we would go to today's hearing. Similarly, we

1 would agree to go to next Monday's hearing with the same  
2 reservation of rights to orally do whatever we need to do,  
3 extend or challenge, if, in fact, we don't get there.

4 THE COURT: All right.

5 MR. ROSEN: Thank you.

6 THE COURT: Anything from any other party that  
7 might wish to be heard on this issue? All right. I'm going  
8 to extend it to the next hearing, but in so doing, I'm not  
9 trying to send a message about unhappiness, right. We made  
10 a lot of progress today. I'm just trying to not have to  
11 deal with things if we don't have to deal with them. And  
12 so, we've made a lot of progress. My expectation is that  
13 we'll be able to finish rolling this boulder up the hill at  
14 the next hearing. And this is the Plan the Creditors want.  
15 That point is pretty clear. There's been significant  
16 progress made in the Disclosure Statement, just today alone.  
17 And so, it's clear progress is being made and I think my  
18 general sense in the room is that people are pretty happy  
19 about the progress being made because we're getting closer  
20 to being able to make distributions to creditors and that's  
21 the goal. So, I'm not sending any message, I just wanted to  
22 be clear. It's not -- there are times when you are sending  
23 a message by having exclusivity tied to a shorter date. But  
24 I just think it's the end of the day, so we don't want to  
25 have to spend any more time trying to figure out the date.

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1 And again, I have every expectation that we'll continue to  
2 make progress on Monday. And again, you can make an oral  
3 application on Monday, and we'll figure that out as we go  
4 forward. So, let me ask if there's anything else, Mr.  
5 O'Neal or Ms. Vanlare, from the Debtors to address?

6 MR. O'NEAL: No.

7 MS. VANLARE: Nothing further.

8 THE COURT: All right. Anything else from the  
9 Official Committee?

10 MAN 1: No, Your Honor. Thank you very much.

11 THE COURT: All right. Mr. Rosen, anything from  
12 you?

13 MR. ROSEN: Nothing. Thank you, Your Honor.

14 THE COURT: All right. Anything from Gemini?

15 MAN 2: No, Your Honor. Thank you very much.

16 THE COURT: All right. The U.S. Trustee?

17 MR. ZIPES: No, Your Honor. Thank you.

18 THE COURT: All right. And I don't want to  
19 exclude anybody. DCG?

20 MAN 3: Nothing, Your Honor. Thank you.

21 THE COURT: All right. Thank you. Anyone else?  
22 All right. Thank you all very much. Good to see you all.  
23 Thank you for your hard work and I look forward to seeing  
24 you on Monday.

25 MS. VANLARE: Thank you.

1 MR. ZIPES: Thank you.

2 THE COURT: And it's nice to put that conference  
3 room to use for conferences.

4 (Whereupon these proceedings were concluded at  
5 5:27 PM)

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1 C E R T I F I C A T I O N

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3 I, Sonya Ledanski Hyde, certified that the foregoing  
4 transcript is a true and accurate record of the proceedings.

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*Sonya M. Ledanski Hyde*

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8 Sonya Ledanski Hyde

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17

18

19

20 Veritext Legal Solutions

21 330 Old Country Road

22 Suite 300

23 Mineola, NY 11501

24

25 Date: November 9, 2023